

## **Companies Act 2014 Consultation AIB Submission**

### **Introduction**

AIB welcomes the opportunity to support the proposed changes to the Companies Act 2014 (the “Act”) regarding access to the usual residential addresses of company directors and secretaries. We believe these amendments are crucial in safeguarding the privacy and personal security of individuals serving in these roles, whilst maintaining necessary transparency for regulatory and public purposes.

Furthermore, AIB is in favour of broader reforms to the Act, notably, the removal of the statutory requirement for directors’ particulars to appear on company letterheads. In an increasingly digital business environment, we are advocating for the adoption of modern practices whereby director details are made readily accessible on a company’s website. This approach not only streamlines administrative processes, but it also ensures up-to-date information is available to customers and stakeholders in a secure and convenient manner.

AIB believes these proposed amendments will bring Irish company law in line with international best practice, enhance privacy protections, and reflect the realities of contemporary business communication.

Within this submission we have outlined arguments in support of these changes and feel that while the Act is currently being reviewed with regard to residential addresses of company directors and secretaries, now would be the appropriate time to look at other matters, in particular requiring directors particulars on business letters.

### **Directors and Secretaries Residential Addresses**

By restricting public access to the usual residential addresses of directors and secretaries and instead publishing a designated contact address, the changes proposed represent a balanced approach to transparency and personal security. Directors and secretaries will no longer be subject to unnecessary public exposure of their home addresses, reducing the risk of security risks and privacy infringements, while ensuring that legal documents and letters can still be effectively served through the prescribed contact address.

The proposed change ensures that law enforcement and regulatory authorities retain the necessary access to residential information for legitimate purposes, while the general public’s access is appropriately limited.

### **Directors Particulars on Letterheads**

AIB strongly favours and recommends amending the current requirement that mandates the inclusion of directors’ particulars on business letters as per Section 151 of the Act.

- **Operational Efficiency:** The requirement places a significant administrative burden on large organisations, particularly those with frequent changes in board composition. Updating the digital templates and printed letterhead each time a directorship changes is inefficient. Unexpected changes in directors make it impossible to plan these activities, resulting in the diversion of resources from prioritised tasks.

- ESG credentials: Each director change necessitates the destruction of all existing stock of printed letterhead across the organisation and through the branch network. This is wasteful and contrary to the ESG agenda.
- Accurate Information: Historically, section 151 of the Act provided discretion for the Minister to grant exemptions from the requirement to list directors names on letterheads. The Companies (Corporate Enforcement Authority) Act 2021 removed the power of the Minister to grant any further exemptions. This has resulted in an obligation that does not take account of the operational realities faced by larger companies or those with complex and changing board structures. In an increasingly digital business environment, we are advocating for the adoption of modern practices whereby director details are made readily accessible on a company's website. This approach not only streamlines administrative processes, but it also ensures up-to-date information is available to stakeholders and customers in a secure and convenient manner. Directing stakeholders to a dynamic source ensures accessibility to timely and effective transparency.
- Regulatory Consistency/Simplification: Many jurisdictions do not require directors' names to be displayed on letterheads, instead relying on public registers for transparency.
- The rationale for granting exemptions under section 151 remains relevant, while no longer possible. The original policy recognised that, for some organisations, given the frequent changes at board level, coupled with the complex operational realities of a large institution, some organisations would face considerable and persistent challenges in maintaining compliance with this company law requirement. Without the exemption, each director appointment or departure would necessitate extensive updates across a vast array of business letters, resulting in outdated information and significant resource allocation. Without the exemption, each director appointment or departure would necessitate extensive updates across a vast array of company documents, resulting in outdated information, significant resource allocation and a risk of inadvertent non-compliance.
- Digitalisation; Given the focus on a digital agenda, now is a favourable time for this change.

### **Example**

To illustrate the level of change required to implement an alteration on a letterhead, we have provided the below example.

**Board Succession** – The bank's board succession plans include retirement of two directors and appointment of two directors every year. This means over a six-year period (two three-year terms), the board will have a complete turnover. When the regulatory approval letters arrive from the ECB/CBI, a bank will appoint a director with immediate effect. Therefore, as each director stands down and another is appointed, documents will be out of date (given what is involved in recording change) four times a year and require updating. If an organisation could list their directors on their website, up to date information regarding directors would be available immediately.

### **Recommendations**

AIB is recommending the following changes to the Act under this Consultation.

1. AIB welcomes the proposed amendments regarding residential addresses which seeks to enhance the safety and privacy of company directors and secretaries and recommends this change.

2. AIB would welcome digital disclosure of directors particulars: Permit companies to provide information on directors via their website if they wish to do so and also allow for companies who do not have a website to continue listing directors' names on their letterheads.

**Or**

3. Reinstate/Broaden Section 151: Reinstate the exemption previously available under section 151 (5) or introduce a broader exemption for large organisations and those whose directors particulars are publicly listed on their website.

## **Conclusion**

The proposed changes to the Act present a timely and pragmatic opportunity to modernise Irish company law, better protect the privacy of directors and secretaries, and reflect the realities of today's digital business landscape.

While AIB's experience underscores the significant administrative and operational challenges proposed by the current requirements, these issues are by no means unique to the banking sector. Organisations of all sizes and across all industries stand to benefit from streamlined processes, enhanced accuracy of public information, and greater alignment with international best practices. Adopting a digital-first approach and reconsidering outdated statutory obligations would not only reduce unnecessary burdens but also support efficient, transparent and secure business operations throughout the Irish corporate sector. It would modernise disclosure, enhance transparency, save resources, and support sustainable business practices