



**Bille na gCuideachtaí (An Próiseas Tarrthála le haghaidh
Cuideachtaí Beaga agus Micreachuideachtaí), 2021
Companies (Rescue Process For Small and Micro
Companies) Bill 2021**

*Meabhrán Míniúcháin
Explanatory Memorandum*



**BILLE NA gCUIDEACHTAÍ (AN PRÓISEAS TARRHÁLA
LE hAGHAIDH CUIDEACHTAÍ BEAGA AGUS
MICREACHUIDEACHTAÍ), 2021
COMPANIES (RESCUE PROCESS FOR SMALL AND MICRO
COMPANIES) BILL 2021**

EXPLANATORY MEMORANDUM

Introduction

The purpose of the Bill is to provide an alternative to examinership, for the benefit of small and micro companies, which is more accessible and cost efficient than the existing examinership process and capable of conclusion within a shorter period of time and to assist viable small and micro companies to remain in business while trading through periods of temporary difficulty.

The Bill consists of three Parts as follows:

Part 1 – General: Short title, commencement and definitions.

Part 2 – “Rescue process for small and micro companies”. This Part inserts a new Chapter 10A into the Companies Act 2014. It is divided into 12 Chapters which detail the specifics of the rescue process.

Part 3 – Miscellaneous amendments of the Companies Act 2014.

Set out below is a summary of the main provisions in each Part and Chapter of the Bill.

For the purpose of this Explanatory Memorandum, the Companies Act 2014 is hereafter referred to as the “Principal Act”.

PART 1

General

Sections 1 – 2 of the Bill provide for preliminary and general provisions setting out the short title of the Bill and commencement. These sections also provide necessary definitions.

PART 2

Rescue process for small and micro companies

Section 3 of the Bill inserts Part 10A into the Principal Act. All location references described below are locations in the Principal Act following the commencement of the Bill.

Chapter 1

Interpretation

Section 558A - Interpretation (Part 10A)

This section defines relevant terms for the purposes of the operation of the rescue process for small and micro companies.

Chapter 2

Introductory

Section 558B - Requirements where eligible company wishes to avail of rescue plan

The requirements an eligible company must meet to avail a rescue plan are defined in this section. The principal conditions are:

- (a) the company is, or is likely to be, unable to pay its debts,
- (b) no resolution subsists for the winding up of the company,
- (c) no order has been made for the winding up of the company,
- (d) the company directors have not passed a resolution for the appointment of a process adviser in respect of the company during the 5-year period ending with the date on which it is proposed that such a resolution be passed by the company or no examiner has been appointed, and
- (e) no petition for examinership is currently before a court or no examiner has been appointed to the company concerned.

In advance of passing a resolution to enter the process, the company directors must prepare a statement of affairs, in the prescribed form, detailing the financial and trading position of the company. Where any untrue statement has been included in the statement of affairs any director of the company who is in default shall be guilty of a category 2 offence.

Section 558C - Process adviser to determine whether eligible company has reasonable prospect of survival

This section requires the process adviser to decide whether the company has a reasonable prospect of survival and is therefore eligible to avail of a rescue plan. The section also sets out factors the process adviser may consider in making his or her determination. The factors have been drawn from case law in examinership and are non-exhaustive.

Having come to a determination on the matter, the process adviser is required to meet with the directors and detail the reasons for reaching their conclusion. This determination must also be provided in writing.

Section 558D - Process adviser to prepare report

This section provides that where the process adviser determines that there is a reasonable prospect of survival for the company, they must prepare a detailed report in accordance with the criteria laid down in this section for the purpose of accurately assessing the position of the company, recommending an appropriate court in the event of any proceedings under Part 10A and making recommendations for next steps. This may include draft proposals for a rescue plan. The criteria laid out in the report are drawn from section 511 of the Principal Act which provides for the independent expert's report in examinership.

This report and its recommendations are to be presented to the directors of the company.

Chapter 3

Appointment of Process Adviser

Section 558E - Resolution to appoint process adviser

This section provides that the company directors may hold a meeting within 7 days of having received the process adviser's report to vote on a resolution on whether to appoint a process adviser and commence the rescue process.

Section 558F - Process adviser's duty to keep determination made under section 558C under review

This section provides that the process adviser, having been appointed by resolution of an eligible company, shall keep the original determination as to the viability of the company under constant review. Where the process adviser determines that there is no longer a reasonable prospect of survival, they are required to inform the company directors and resign in accordance with the requirements of section 558ZW.

Section 558G - Duties of directors of eligible company in relation to process adviser

This section provides that where the process adviser determines that there is no longer a reasonable prospect of the survival of the eligible company and informs the company directors under section 558F, the company directors are required to take such steps as they consider appropriate to protect the interests of the employees of the company.

Section 558H - Process adviser's duty to determine relevant court

This section requires the process adviser to determine which court, the Circuit or High Court, is most appropriate for the purpose of any court applications required during the process. This determination is made in conjunction with the company directors and bearing in mind the associated costs to the company and the requirement to expedite the process.

Section 558I - Process adviser's duty to seek provision of email addresses

This section requires the process adviser to secure email addresses for specified relevant parties, primarily the creditors of the company.

Section 558J - Process adviser to give notice of appointment

This section requires the process adviser, within 2 working days of their appointment, to formally notify the Registrar of Companies and the relevant court of his or her appointment and to arrange for publication of a notice of the appointment in *Iris Oifigiúil* and within 48 hours on any company website.

Section 558K - Process adviser to give notice to employees, creditors etc.

This section provides that the process adviser shall as soon as practicable, but no later than 5 days after the passing of the resolution, give to the persons prescribed by the Bill, principally creditors of the company, a notice of the resolution of the appointment of the process adviser, a copy of the process adviser's report, a statement on the relevant court for any proceedings which may be brought and a request to each creditor for all relevant information concerning outstanding debts, securities held and obligations.

Section 558L - Notice to creditor where eligible company has excludable debt

This section provides that as soon as practicable after the appointment, the process adviser shall give a notice in writing to the creditor concerned requiring the creditor to inform the process adviser, within 14 days of the giving of the notice, if the creditor objects to the inclusion of the excludable debt in the rescue plan. In this section excludable debt pertains to unpaid

taxes and liabilities with respect to the Revenue Commissioners and the Department of Social Protection and other liabilities arising from the Redundancy Payments and Protection of Employees Acts.

Section 558M - Relevant court's powers where receiver or provisional liquidator previously appointed

This section provides that where a receiver has been appointed for a period less than 3 days or a provisional liquidator stands appointed at the time of the resolution to appoint a process adviser, the process adviser may apply to the relevant court for a determination as to whether or not the receiver or provisional liquidator shall continue to stand appointed. This section provides that the relevant court may make such orders as it sees fit.

Section 558N - Relevant court's power to stay proceedings or restrain further proceedings

Unlike examinership, the small company rescue process does not afford a company an automatic period of protection from creditors because it is initiated outside of the courts. Section 558N provides that a company may however apply to the relevant court for a stay on proceedings and thus avail of the court's protection. This section also provides for the protection of creditors and their right to be heard and considered by the court prior to any decision.

Section 558O - Requirements following giving of notice to creditor under section 558K

This section outlines the requirements of creditors to respond to and provide relevant information having received a notice of the process adviser's appointment and a request for details of outstanding debts owed by the company. This section also details the steps which the process adviser must follow to send reminders to creditors who have failed to respond to earlier notices and to subsequently estimate outstanding debts where creditors have not supplied any information or responded to requests for same. The process adviser must keep records of all such matters.

Chapter 4

Rescue Plan

Section 558P – Repudiation, affirmation and variation of certain contracts

This section provides that where the process adviser considers it necessary for the survival of the company as a going concern that the relevant contract be repudiated, they have two options:

- 1: Subject to the approval of the relevant court the process adviser may repudiate the contract;
- 2: The process adviser can engage with the contracting party and follow the process outlined below.

The process adviser will provide written notice to the contracting party of the intention to repudiate the contract, the reasons underpinning the decision, informing them of their rights to object and to be heard in court and offering them the opportunity to propose alternative terms. The contracting party has 10 days within which to respond, or such shorter period as may be agreed.

Where the process adviser intends to pursue repudiation of the contract, they shall provide written notice to the contracting party outlining for example the compensation proposed, that they may attend a meeting to consider the rescue plan and that in the event that the rescue plan is approved by a majority of creditors they have the right to object to the repudiation and compensation at that meeting.

Where the contract is a lease, the section sets out the grounds on which the process adviser shall assess loss or damage.

Section 558Q - Process adviser's duty to prepare rescue plan

This section requires the process adviser to formulate a rescue plan for the company. It provides for the detail which must be included in the plan, including how it is to be implemented. The process adviser is required to treat all classes of creditors and members fairly, i.e. the rescue plan may not be unfairly prejudicial to any one class of person impaired. This is consistent with well-established principles in examinership.

Section 558R - Further provision with respect to leases

Under this section, as concerns the leasing of land, the rescue plan or order of the court cannot contain proposals for a reduction in the amount of rent and/or the complete extinguishment of the right of the lessor to such payments. In the event of failure to make payments as regards outstanding leases, lessors shall not exercise any right (except in specific circumstances) to the repossession of land, to the forfeiture of lease or to the recovery of the amount of outstanding rent or damages arising.

These provisions do not apply where the lessor has agreed to the rescue plan.

Section 558S - Procedure where process adviser unable to prepare rescue plan

This section provides that in circumstances where the process adviser is unable to secure an agreement or formulate proposals for the rescue of the company, they are required to report this fact to the directors of the company. This report must include the reasons as to why a rescue plan could not be facilitated and a recommendation as to the next steps for the directors, up to and including the winding up of the company. This report must also be provided to creditors.

While the recommendation of the process adviser is not binding on the company, where the process adviser recommends that the company be wound up and the directors choose to continue to trade and there is a subsequent insolvent liquidation within 6 months of such recommendation, this fact may be taken into consideration by the courts when making a determination in respect of reckless trading under section 610 of the Principal Act.

Chapter 5

Consideration of a rescue plan

Section 558T - Process adviser's duty to call meeting of members and creditors

Under this section, the process adviser is required to call a meeting as soon as practicable of all creditors and members, either separately or jointly, to present a rescue plan for the company. This meeting must take place no later than 49 days after the date on which the process adviser is appointed.

Section 558U - Notice of meeting under section 558T

This section stipulates that the process adviser is required to give notice to all relevant parties of the members and creditors meeting no less than 7 days in advance of the meeting. This notice is to be accompanied by documents such as a copy of the rescue plan, a detailed statement of the assets and liabilities of the company, the estimated amount the creditor or member would receive in the event the rescue plan is unsuccessful and the company is wound up, the costs associated with the appointment of

the process adviser and the rescue process. The notice must also detail for example, the procedures on how to object to, modify or agree with the rescue plan.

This section also requires the process adviser to make and retain records verifying that all of the requirements pertaining to this process have been met.

Section 558V - Proceedings at meeting under section 558T

This section defines the technical procedural requirements for a meeting held under section 558T.

Section 558W - Proxies

This section provides for a procedure for relevant parties to assign a proxy to act on their behalf in matters pertaining to the rescue process.

Section 558X - Supplemental provisions in relation to section 558W

This section details the miscellaneous requirements for the assignment of a proxy to be valid.

Section 558Y - Consideration by members and creditors of rescue plan

This section provides for the consideration by members and creditors at its meeting of a proposal for a rescue plan. It provides that a modification may be put to the meeting but may only be accepted with the consent of the process adviser.

The section also provides for a cross class cram down. This is drawn from comparable provisions in examinership but nuanced to provide flexibility for small and micro companies. It provides that a rescue plan shall be binding on all members and creditors where it is accepted by 60% in number of one class of impaired creditors representing a majority in value of the claims and 21 days pass without any creditor triggering an objection to the plan in accordance with other provisions. Where such an objection is triggered, it will be for the court to confirm the plan.

This section also provides that:

- where a creditor or member does not vote, their abstention shall not be counted as a vote against the rescue plan;
- where a State authority is a creditor they shall be entitled to accept proposals even though the proposals may impair their claim.

Section 558Z - Notification of approval of rescue plan

This section provides that notification of the approval of the rescue plan must be provided within 48 hours of the approval of the plan to all relevant parties as prescribed - principally the creditors of the company. This section also details the content and items to be supplied as part of the notification requirement. A notice of the acceptance of the rescue plan must also be provided to the Registrar of Companies within 48 hours of the acceptance having been recorded.

Section 558ZA - Process adviser's report

This section specifies that the process adviser must prepare a report as set out in the section after the conclusion of the meetings of the creditors and members. This report must be supplied within 49 days of the appointment of the process adviser and must be supplied to the company directors, the employees, the Director of Corporate Enforcement, the relevant court and any interested party who has requested a copy by writing. The courts may approve the omission of commercially sensitive information from the report being supplied to interested parties.

Chapter 6

Objections to rescue plan

Section 558ZB - Confirmation of rescue plan

This section provides that a rescue plan becomes binding within 21 days of the filing of the approval of the rescue plan, unless an objection is lodged within that time period.

Section 558ZC - Objection to rescue plan

This section provides that a creditor or member may file an objection to a rescue plan and that the objection be notified to the process adviser, and the office of the relevant court. This section also prescribes the grounds under which an objection may be made, including an objection made by contracting parties in respect of the repudiation of a contract.

Section 558ZD - Court hearing in case of objection

This section provides for the court's role in the approval of a rescue plan where an objection is triggered and specifies those who may be heard by the court. This section further provides that the court may confirm, modify or refuse to confirm proposals for a rescue plan and that where the court upholds an objection under this section, it may make such orders as it sees fit.

Section 558ZE - Supplemental provisions in relation to section 558ZD and section 558ZZ

This section provides that where the court dismisses an objection or approves modified terms of a rescue plan, it may make such orders for the implementation of its decision as it deems fit. Where an objection is dismissed, the rescue plan is deemed to come into immediate effect. Where an objection is upheld and the rescue plan is modified the court may specify a commencement date for the modified plan, to be no later than 21 days after the rescue plan's approval. The court may also order the winding up of the company. The process adviser is required to file all resultant orders of the court with the Companies Registration Office.

Chapter 7

Liability of third parties for debts of company

Section 558ZF - Definitions (Chapter 7) and savings

This section provides for relevant definitions for Chapter 7 and savings.

Section 558ZG - Circumstances in relation to which subsequent provisions of Chapter have effect

This section provides that, subject to section 558ZH(2), the provisions of this Chapter apply to any liability owed by a third party arising from a debt of a company engaged in the rescue process owed to another party.

Section 558ZH - General rule: liability of third person not affected by rescue plan

This section provides that the liability of the third person is not affected by the rescue plan.

Section 558ZI - Enforcement by creditor of liability: restrictions in that regard unless certain procedure employed to benefit of third person

This section provides that the creditor of the company with respect to which a third person has liability, may not legally enforce that liability without having first given notice of an offer to the third person to transfer any rights the creditor may have to vote in meetings concerning the rescue plan and process.

Section 558ZJ - Payment by third person to creditor post rescue period – statutory subrogation in favour of third person in certain circumstances

This section provides that where a third person has made a payment to the creditor (i.e. compensated the creditor), in fulfilment of a liability arising from the non-payment by the eligible company of their debts to the creditor – any amount that would have been payable by the eligible company to the creditor, but for the compensation paid by the third party to the creditor, is now payable to the third party instead of the creditor.

Chapter 8

Conclusion of rescue process

Section 558ZK - Conclusion of rescue period and termination of appointment of process adviser

This section provides that the process adviser's appointment is terminated on conclusion of the process or such other events as provided for in the Bill.

Section 558ZL - Power of relevant court to revoke rescue plan where fraud

This section provides that if the company or any interested party discovers that the rescue plan was procured by fraud, then, within 180 days after the confirmation of the rescue plan, it can apply to the court to have the confirmation revoked. If it is so revoked, a certified copy of the order must be sent to the Registrar of Companies and the Director of Corporate Enforcement. The court may also direct that it be forwarded to any other person.

Section 558ZM - Power of relevant court to order the return of assets improperly transferred

This section mirrors section 557 of the Principal Act and allows the court to make an order to return assets which have been improperly transferred. If it can be shown to the satisfaction of the court that the effect of the disposal of any property of a company under court protection was to perpetrate a fraud on the company, its creditors or members, the court may order the return of that property or order the payment of a sum in respect of it to the process adviser.

Section 558ZN - Director's power to examine books and records

This section grants the Director of Corporate Enforcement the power to seek and examine the books and records of a company engaged in a rescue process as well as the books and records pertaining to the rescue process itself. Failure to provide such records constitutes an offence.

Section 558ZO - Reporting to Director of Corporate Enforcement of misconduct by process advisers

This section provides that where a disciplinary tribunal of a professional body finds that a member of the body who acted as a process adviser failed to maintain appropriate records or, there are reasonable grounds for believing that the member committed a category 1 or 2 offence, that professional body is obliged to report such matters to the Director of Corporate Enforcement. This provision is in keeping with existing provisions of the Companies Act in respect of receivers, examiners, and liquidators.

Chapter 9

Enforcement

Section 558ZP - Offence of acting as process adviser when unqualified

This section provides that it is an offence to act as a process adviser when the person concerned is not qualified under section 633 of the Principal Act.

Section 558ZQ - Offence where director fails to disclose information or misleads process adviser

This section provides that where a director of an eligible company fails to disclose relevant information which is material to the exercise by the process adviser of his or her functions or fails to exercise utmost good faith in his or her dealings with the process adviser the director shall be guilty of a category 2 offence.

Section 558ZR - Prosecution of officers and members of company

This section provides for the prosecution of criminal offences committed by officers and members of the company. If it appears to the process adviser that any past or present officer or member of the company has been guilty of an offence in relation to the company, the process adviser is obliged to report the matter to the Director of Public Prosecutions (DPP) and to the Director of Corporate Enforcement. Following on from this, the process adviser must give the DPP and the Director of Corporate Enforcement access to any information or facilities as may be required and if the DPP or the Director of Corporate Enforcement seeks to prosecute the case, the process adviser and all officers and agents of the company (past or present) must give all assistance in connection with the prosecution as they are reasonably able to give.

Chapter 10

Powers of process adviser

Section 558ZS - Powers of process adviser

This section details the powers of the process adviser and is based on section 524 of the Principal Act. It provides that any provision of the Act which applies to the rights and powers of a statutory auditor and the supplying of information to and co-operation with such auditor will apply to a process adviser.

The process adviser has the power to convene, set the agenda for and preside at meetings of the board of directors and general meetings of the company and may also propose motions or resolutions and give reports to such meetings. They are entitled to receive notice of and be heard at all meetings of the board of directors and general meetings of the company.

The process adviser may take whatever steps are necessary to halt, prevent or rectify the effects of any act, omission, course of conduct, decision or contract in relation to the income, assets or liabilities of the company which is or is likely to be to the detriment of the company, or any interested party. This power of the process adviser is subject to the right of parties acquiring an interest in good faith and for value in such income, assets or liabilities of the company.

Section 558ZT - Production of documents and evidence

This section governs the production of such documents and evidence as the process adviser is empowered to request and which they consider relevant. For example, records concerning bank accounts into or out of which transactions may have taken place which pertain to the affairs of the company. This section also empowers the process adviser to examine under oath any agent of the company or other relevant person.

Section 558ZU - No lien over eligible company's books, records etc.

This section provides that no person shall be entitled to withhold possession over any deed, instrument or document belonging to the company, including documents such as invoices, accounting records and so on, and no person or party may claim a lien over any such items. Where a mortgage, charge or pledge has been created by the deposit of any such document or paper with a person, the production of the document or paper to the process adviser by the person shall not operate to prejudice the person's rights under the mortgage, charge or pledge (other than any right to possession of the document or paper).

Section 558ZV - Power to deal with charged property etc.

This section allows the court to authorise the process adviser to dispose of property and is drawn from section 530 of the Principal Act. It enables the process adviser to dispose of assets which are subject to fixed or floating charges or hire-purchase agreements where such a disposal is likely to facilitate the survival of the whole or any part of the company as a going concern.

Section 558ZW - Resignation of process adviser

This section defines the general conditions that apply when a process adviser resigns from the position. It specifies the content of a statement which must be served on the company. This provision mirrors section 400 of the Principal Act as it relates to the resignation of statutory auditors.

Where there are circumstances connected with the resignation that the process adviser concerned considers would warrant further inquiries with a view to proceedings under sections 610 and 611 or section 722 of the Principal Act, they are required to report the matter to the Director of Public Prosecutions and the Director of Corporate Enforcement.

Section 558ZX - General provisions as to process advisers – resignation, filling of vacancy etc.

This section defines the general provisions of a procedural and technical nature relating to the actions of the process adviser. Provision is made for the resignation, removal, replacement, title and validation of actions of process advisers. It draws from section 532 of the Principal Act with some alteration to reflect the fact that the process adviser is appointed by way of passing of a resolution by the company directors rather than the court.

Chapter 11

Process adviser: remuneration, costs and expenses

Section 558ZY - Process adviser: remuneration, costs and expenses

This section provides for the court to authorise the remuneration, costs, and expenses of the process adviser.

Section 558ZZ - Application to court for review of remuneration etc. of process adviser

This section provides for any creditor or member to apply to the court to review the remuneration, costs and expenses of the process adviser. Notice of the objection to the remuneration etc. must be sent in the prescribed form to the process adviser and the relevant court. If no notice is received within 21 days following the approval of the remuneration the amount shall be deemed to be fixed.

Section 558ZAA - Incurring of certain liabilities by process adviser

This section provides that any liabilities incurred by the company from the appointment of the process adviser shall be treated as expenses of the process adviser. This allows the company to continue to trade during the process and encourages creditors, such as suppliers, to continue to engage with the company.

Section 558ZAB - Priority

Under this section, liabilities incurred by the company as a result of the work of the process adviser and the remuneration, costs and expenses of the process adviser will take priority over all other outstanding claims.

Chapter 12

General

Section 558ZAC - Effect on certain sections where application to court

This section suspends time limits set out in Chapter 10A while any matter is being considered by the courts.

Section 558ZAD - Power to apply to relevant court for determination of questions or concerning exercise of powers

Under this section the process adviser or the Director of Corporate Enforcement may apply to the relevant court to make a determination concerning any question arising during the rescue process.

Section 558ZAE - Hearing of proceedings other than in public

This section provides that all or part of any hearing in relation to the rescue process may be held other than in public if the court determines that, in the interests of justice, it would be in the interests of the company concerned or the creditors as a whole.

Section 558ZAF - High Court's power to remit proceedings to Circuit Court

This section defines the capacity of the High Court to remit proceedings to the Circuit Court where it considers that the Circuit Court is a more appropriate venue.

Section 558ZAG - Representation of bodies corporate at meetings held under this Part

This section affirms that section 185 of the Principal Act concerning the representation of bodies corporate at company meetings applies during the rescue process.

Section 558ZAH - Retention of records

Under this section, the process adviser must retain all records pertaining to the rescue process for a period of not less than 6 years.

Section 558ZAI - Service of notices

This section defines the technical and procedural requirements for serving notices under the Act.

Section 558ZAJ - Regulations to remove difficulties

This section defines the power of the Minister to bring regulations into effect to remove any difficulties in the implementation of the provisions of the Act.

PART 3

Miscellaneous amendments of Companies Act 2014

Section 4 inserts the definition of process adviser into section 2 of the Principal Act.

Section 5 is a technical amendment substituting “dissipation” for “disappearance” in section 551(3)(d) of the Principal Act.

Section 6 amends section 587 of the Principal Act to oblige the company to ensure creditors in a creditors’ voluntary liquidation are made aware of their right to form and participate on a committee of inspection which represents the interests of all creditors of a company going into liquidation. If default is made by the company in complying with, inter alia, subsection (3), the company and any officer of it who is in default shall be guilty of a category 3 offence.

Section 7 amends section 610 of the Principal Act to bring the small company administrative rescue process within scope of reckless trading. It means that the process adviser is empowered to make an application to court in this regard.

Section 8 amends section 627 of the Principal Act to provide clarity that a liquidator has the power to bring or defend any proceedings before the Workplace Relations Commission and the Labour Court in the name and on behalf of the company.

Section 9 amends section 666 of the Principal Act to:

- provide for an obligation to be placed on liquidators to ensure creditors in a court ordered liquidation are made aware of their right to form and participate on a committee of inspection;
- explicitly provide that where a committee of inspection is appointed it shall include not less than one employee creditor member (“employees’ representative”) to represent employee creditors, should they so elect; and
- where a liquidator, without reasonable excuse, fails to inform creditors of their entitlement to form and participate on such a committee that they will be guilty of a category 4 offence.

Section 10 amends section 667 of the Principal Act to explicitly provide that where a committee of inspection is appointed it shall include not less than one employee creditor member (“employee’s representative”) to represent employee creditors, should they so elect.

Section 11 amends section 668 of the Principal Act to provide that where:

- a committee of inspection is appointed,
- has an employees’ representative member, and
- where the employees’ representative member vacates the role,

they may be replaced by another employees’ representative should the employees so elect.

Section 668 of the Principal Act applies to a committee of inspection appointed in a court winding up and a creditors’ voluntary liquidation.

Section 12 amends section 690A of the Principal Act. Section 690A provides for creditors’ meetings to be held virtually during an interim period for the duration of the Covid-19 pandemic. This amendment ensures meetings held under the small company administrative rescue process can be held virtually during the interim period.

*An Roinn Fiontar, Trádála agus Fostaíochta,
Meitheamh, 2021.*