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in a world of change

## UK Directors: Non - EEA Resident Director Bond

Many companies based in Ireland with UK directors have overlooked the fact that from January 1<sup>st</sup>, 2020 they may no longer have any directors who are considered "EU/EEA Resident".

As a result of this, once the UK exits the current transition period these companies will need to, either: -

- appoint an EEA resident director
- obtain a non-resident director bond, or
- apply for a certificate that confirms that the company has a real and continuous link with one or more economic activities carried on in the State.

As per Section 137 of The Companies Act 2014, a bond must be taken out if an Irish company does not have at least one company director who is resident in the EEA.

Covering a period of two years, the non-resident director bond allows your company to operate without an EEA resident director in place. The bond, in favour of the Revenue Commissioners, insures' your company for a sum of €25,000 and covers the following: -

- any fine imposed on the company in respect of offences under the Companies Acts 1963 to 2013 (e.g. failure to file annual returns and audited accounts on time)
- a fine for failure to supply certain information to the Revenue Commissioners; mainly information required on the Form CRO 11F
- any penalty which the company has been held liable to pay under Section 1071 or Section 1073 of the Taxes Consolidation Act 1997
- any expenses incurred in recovering the fines and penalties mentioned above.

LHK has been working throughout 2020 with our clients and partners to put many of these bonds in place.

### Contact

If you need a non-resident director bond, or if you require further information, please feel free to contact one of our Commercial Team.

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