

Company Structure Factsheet

While this Factsheet is intended as a general guide, it should not be substituted for professional legal advice.

Companies Act 2014

Seven company structures are defined in the Companies Act 2014, which came into operation on 1 June 2015. The two most likely structures for arts organisations are Company Limited by Guarantee and Designated Activity Company:

- Company Limited by Guarantee (CLG) not having a share capital.
- Designated Activity Company (DAC) includes private companies limited by guarantee and having a share capital (Part 16, Chapter 1).

Company Limited by Guarantee

A CLG is a company limited by guarantee not having a share capital. The members' liability is limited to the amount (often €1) they have undertaken to contribute to the assets of the company and in the event that it is wound up, not exceeding the amount specified in the Constitution.

An existing guarantee company with no share capital is deemed to be a CLG since commencement of the Act. Note that a CLG requires at least two directors. It may have a single member (the AGM may be dispensed with if the CLG has a single member) and there is no maximum number of members.

Designated Activity Company

Only companies registering under the current Companies Act can be DACs. They are defined as a private company limited by shares with the capacity, including the power, to do only those acts or activities set out in its constitution. If the organisation is a CLG or a DAC, it may remunerate its Directors if such remuneration complies with its constitution, even if it is registered with the Charities Regulator. However, if it additionally has Charitable Status with a CHY number from the Revenue Commissioners, it cannot remunerate its directors.

Company Name

All companies limited by guarantee must have the words "Company Limited by Guarantee" or "Cuideachta faoi Theorainn Rathaiochta" at the end of their name. The words "Company Limited by Guarantee" may be abbreviated to clg, c.l.g. or CLG, or in the case of "Cuideachta faoi Theorainn Rathaiochta" ctr, c.t.r. or CTR.

All designated activity companies, whether limited by shares or guarantee, must have the words "Designated Activity Company" or "Cuideachta Ghníomhaíochta Ainmnithe" at the end of their name. The words "Designated Activity Company" may be abbreviated to dac, d.a.c. or DAC.

Resources

The Companies Registration Office www.cro.ie

The Companies Acts: Government Publications Office www.irishstatutebook.ie

Office of the Director of Corporate Enforcement www.odce.ie

Summary of company types set out in the Companies Act 2014

CLG Company limited by guarantee

DAC Designated activity company limited by shares /limited by guarantee with share capital

LTD Private company limited by shares

PLC Public limited company

ULC Private unlimited company having a share capital

PUC Public unlimited company having a share capital

PULC Public unlimited company not having a share capital

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