

The Companies Act 2014 for the first time has set out the principal fiduciary duties of a company director. Fiduciary duties are in addition to other statutory duties under the Companies Act 2014 and other legislation. The principal fiduciary duties of a company director are owed to the company, and the company alone.

The principal fiduciary duties of a company director are to:



Act in good faith in what the director considers to be the interest of the company.



Act honestly and responsibly in relation to the conduct of the affairs of the company.



Act in accordance with the company's constitution and exercise his or her powers only for the purposes allowed by law.



Not benefit from or use the company's property, information or opportunities for his or her own or anyone else's benefit unless the company's constitution permits it or a resolution is passed in a general meeting.



Not agree to restrict the director's power to exercise an independent judgment unless this is expressly permitted by the company's constitution.



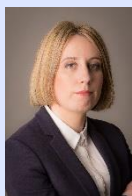
Avoid any conflict between the director's duties to the company and the director's other interests unless the director is released from his or her duty to the company in relation to the matter concerned.



Exercise the care, skill and diligence which would be reasonably expected of a person in the same position with similar knowledge and experience as a director. A director may be held liable for any loss resulting from their negligent behaviour.

For further information on the impact of fiduciary duties on your company's board of directors please contact a member of our team.

Contact Us



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