



Updated SCARP criteria for Irish companies

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The financial thresholds of the Small Companies Administrative Rescue Procedure (SCARP) have been increased, meaning that SCARP is now a potential option for a larger number of companies in Ireland.

SCARP, which was introduced in 2021, aims to provide a cost-effective restructuring option for viable but insolvent companies. It is available to small and micro companies as defined in the Companies Act and is not an option for larger companies, which must use other restructuring mechanisms.

When first introduced, SCARP was available to companies meeting two of the following criteria:

- no more than 50 employees
- a turnover not exceeding €12 million
- a balance sheet not exceeding €6 million, with certain exceptions

As of 1 July 2024, the financial thresholds have been increased to:

- no more than 50 employees
- a turnover not exceeding €15 million
- a balance sheet not exceeding €7.5 million

The net impact of this change is that SCARP will now be a potential option for a bigger pool of companies.

For further information, see our original article on the [key workings of the SCARP process for Irish businesses](#).

For more details, please contact a member of our Dispute Resolution team via their contact details below.

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