



Consultation Paper:

Proposed Revisions to the Financial Capability Assessment Guidance for Maritime Area Consents

30 October 2024

Introduction

In order for a Relevant Person to be granted a Maritime Area Consent (MAC), or to continue to be the holder of a Maritime Area Consent (MAC), MARA must determine if the Relevant Person is a fit and proper person, in accordance with Schedule 2 of the Maritime Area Planning Act 2021, as amended (the Act). Schedule 2(2)(h) of the Act specifies that MARA must have regard to:

“whether the relevant person is likely to be in a position to meet, or continue to meet, as the case may be, any financial commitments or obligations that the MARA reasonably considers will be entered into or incurred by the relevant person—

(i) in undertaking the proposed maritime usage, or in continuing to undertake the maritime usage, as the case may be, or

(ii) in ceasing to undertake the proposed maritime usage or the maritime usage, as the case may be.”

To assess a Relevant Person against Schedule 2(2)(h), MARA undertakes a Financial Capability Assessment (FCA). The FCA of a Relevant Person considers the ability of the Relevant Person to deliver a MAC project by applying a range of financial tests. The applied tests assess the financial performance of the Relevant Person in each of the last two financial periods, to ensure that they are of good financial standing and solvent, in addition to having sufficient scale and income generation to deliver a MAC project.

In order to clearly set out MARA’s requirements with regard to FCAs and to support applicants, MARA published a Financial Capability Assessment Guidance¹ (the Guidance).

Basis for Review of the Guidance

As set out in the Financial Capability Assessment Guidance, MARA has committed to keeping its content and requirements under regular review and where it is deemed appropriate, revisions will be made to the document. Given the current guidance has been in place for over 12 months, the MAC Unit has undertaken to carry out a full review of the Guidance and associated Application Forms, taking account of insights gained from:

- development and refinement of MARA’s processes and procedures in relation to:
 - supporting entity guarantees;
 - assignment/ change of control applications;
 - amendment applications; and
 - applications in relation to transitional provision.
- financial capability assessments carried out to date through which areas of common misunderstanding have been identified. These are evident through the issue of repeated requests for the same types of additional information on different applications; and
- queries and feedback from various stakeholders resulting from:
 - pre-application meetings;
 - MARA’s webinar to industry in relation to the Tonn Núa, South Coast Designated Maritime Area Plan; and
 - Other stakeholder meetings and engagements.

¹ https://www.maritimeregulator.ie/wp-content/uploads/2024/04/2024_04_26-Financial-Capability-Assessment-for-a-MAC-Version-3.docx

Proposed Revisions

Resulting from the review, MARA has identified a number of revisions which it proposes to make to the Guidance, including:

1. Amendment to the financial assessment test thresholds for projects pre-build completion / commencement of operations;
2. Clarification on the applicability of financial tests for the different stages of development and funding of a project;
3. Clarification on changes to an existing MAC;
4. Clarification on remaining fit and proper;
5. Amendment to the definition for Project Costs;
6. Clarification on treatment of non-compliance with financial test thresholds;
7. Amendment to the Supporting Entity Guarantee process;
8. Replacement of Supporting Entity Guarantee template with pro-forma;
9. Extraction of form appendices from guidance into stand-alone forms; and
10. Addition of sector specific checklists.

Further details in relation to the revisions are set out in the sections below.

The Guidance is intended to cover all types of MAC applications that may be received by MARA, including new MAC applications (Section 75 and 76 of the Act²), applications for assignment (Section 85, including change of control³), amendment applications (Section 86 of the Act) and applications relating to existing foreshore authorisations (Section 105 of the Act) and unauthorised maritime usages (Section 106 of the Act). Once a MAC is granted, the Relevant Person is then required to confirm on an annual basis that they still meet the financial test thresholds as set out in the Guidance. MARA also reserves the right to carry out / request ad hoc financial capability assessments on a Relevant Person, where it is deemed necessary during the period that a MAC is held. Accordingly, revisions to the guidance are proposed to provide clarity on the financial test applicable to the various stages of a project, namely pre and post build completion/ commercial operation and for pre and post financial close where a project has adopted a project finance structure.

It is important to note that the Guidance covers a range of sectors and project sizes, each with their own characteristics and requirements. Therefore, the Guidance is not specific to any one sector or project type, and thresholds have been set to facilitate a consistent approach in the financial capability assessment of all Relevant Persons.

Consultation

Following consideration of submissions received, MARA intends to publish on its website the revised Financial Capability Assessment Guidance.

MARA invites submissions on the proposed revisions to the Financial Capability Assessment Guidance.

Submissions should be made via email to mac@mara.gov.ie by 5pm on Friday 29th November 2024.

² Maritime Area Planning Act 2021, as amended

³ "Change of Control" means the sale or transfer of twenty percent or more of the shares or voting rights in respect of the Holder or a Supporting Entity of the Holder excluding a listed company with a market capitalisation of more than €100 million Euro.

Summary of Proposed Changes

1. Amendment to financial assessment test thresholds pre-build completion

Context

Feedback from stakeholders to date suggest that some of the financial thresholds included in the current guidance are too conservative, particularly by comparison to thresholds set out for Phase 1 offshore renewable energy projects. Particular concern was raised in relation to the thresholds for net assets, turnover ratio, financial resources and gearing.

The Guidance covers a range of sectors and project sizes, each with their own characteristics and requirements. Therefore, the Guidance is not specific to any one sector or project type, and thresholds have been set to facilitate a consistent approach in the FCA of all Relevant Persons. In order to have a robust FCA, the focus during this review was to ensure that entities must be able to demonstrate that they have the scale and size to deliver the project (turnover ratio) as well as capability to build the project (financial resources). This is particularly relevant to the larger projects. All thresholds are scalable in Group 1 and Group 2 of the financial thresholds.

For these reasons, amendments to Turnover Ratio and Net Assets and a redefining of the Financial Resources requirements are proposed. We do not propose any amendments to gearing threshold as this test does not apply to and will not be assessed in respect of MAC projects using a Project Finance structure that have achieved Financial Close. It is considered that the changes proposed are proportionate and reasonable, while ensuring that they remain fit for purpose and suitably scalable for all projects sizes.

Proposed Change

Proposed amendment to the financial assessment test thresholds are highlighted in Table 1. The thresholds apply to all types of MAC applications where the project has not achieved build completion/ commercial operation (i.e. is at pre build completion stage). For ease of comparison, thresholds as prescribed in the current Guidance are included in Table 1.

Table 1: Applicable test thresholds pre-build completion / commercial operations				
Financial assessment tests	Current Guidance Group 1 (costs <€10m) Thresholds	Proposed changes to Group 1 (costs <€10m) thresholds	Current Guidance Group 2 (costs >€10m) thresholds	Proposed changes to Group 2 (costs >€10m) thresholds
Going Concern	Unqualified Opinion with No Statement of Material Uncertainty	Unqualified Opinion with No Statement of Material Uncertainty	Unqualified Opinion with No Statement of Material Uncertainty	Unqualified Opinion with No Statement of Material Uncertainty
Turnover Ratio	N/A	N/A	2.0x	1.5x
Profit after Tax Margin	3%	3%	3%	3%
Current Ratio	1.0x	1.0x	1.0x	1.0x
Gearing	60%	60%	60%	60%
Interest Cover	2.5x	2.5x	2.5x	2.5x
Financial Resources	Equal to total Outstanding Project Costs	<p>Pre-Financial Close: total Outstanding Project Costs will equal all Project Costs to be incurred up to Financial Close (refer to Note 1 & 2)</p> <p>Post Financial Close: total Outstanding Project Costs will equal all Project Costs to be incurred post Financial Close and up to build completion or COD (refer to Note 1 & 2)</p>	Equal to total Outstanding Project Costs	<p>Pre-Financial Close: total Outstanding Project Costs will equal all Project Costs to be incurred up to Financial Close (refer to Note 1 & 2)</p> <p>Post Financial Close: total Outstanding Project Costs will equal all Project Costs to be incurred post Financial Close and up to build completion or COD (refer to Note 1 & 2)</p>
Net Assets	Greater than 0	Greater than 0	50% of Project Costs	<ul style="list-style-type: none"> • Pre-Financial Close: 25% of Project Costs • Post Financial Close: 50% of Project Costs

Note 1: While the threshold for Financial Resources has not changed, the definition of Outstanding Project Costs is proposed to be amended. The following definitions in the Glossary of the Guidance will be revised as follows:

- **Financial Close** - means the date where funding to achieve build completion/commercial operation of the MAC project is secured and available for drawdown, whether achieved through project finance or where a project is fully funded.
- **Project Costs** - Any cost/financial commitment including capital, financing and other but excluding contingent liabilities, in respect of a MAC project.
- **Outstanding Project Costs** - Any cost/financial commitment including capital, financing and other but excluding contingent liabilities, associated with a MAC application or a granted MAC, which has not yet been incurred/expensed up to the date of build completion or Commercial Operation Date (COD):

- Pre-Financial Close - any cost/financial commitment including capital, financing and other but excluding contingent liabilities, associated with a proposed project or a granted MAC, which has not yet been incurred/expensed up to the estimated date of Financial Close.
- Post Financial Close - any cost/financial commitment including capital, financing and other but excluding contingent liabilities, associated with a proposed project or a granted MAC, which has not yet been incurred/expensed post financial close and up to the date of build completion or Commercial Operation Date (COD).

Note 2: Where a Relevant Person has applied for or been awarded more than one MAC, the financial resources test will factor in all Outstanding Project Costs for all MAC projects based on the revised definition highlighted above.

Where a project has adopted a project finance structure and achieved financial close, which has been confirmed in writing by the Relevant Person along with supporting documentation, the financial capability assessment under the relevant Group will be based on a reduced number of tests i.e., the Going Concern, Current Ratio and Net Assets.

2. Clarification on the applicability of financial thresholds for the different stages of development and funding of a project

Context

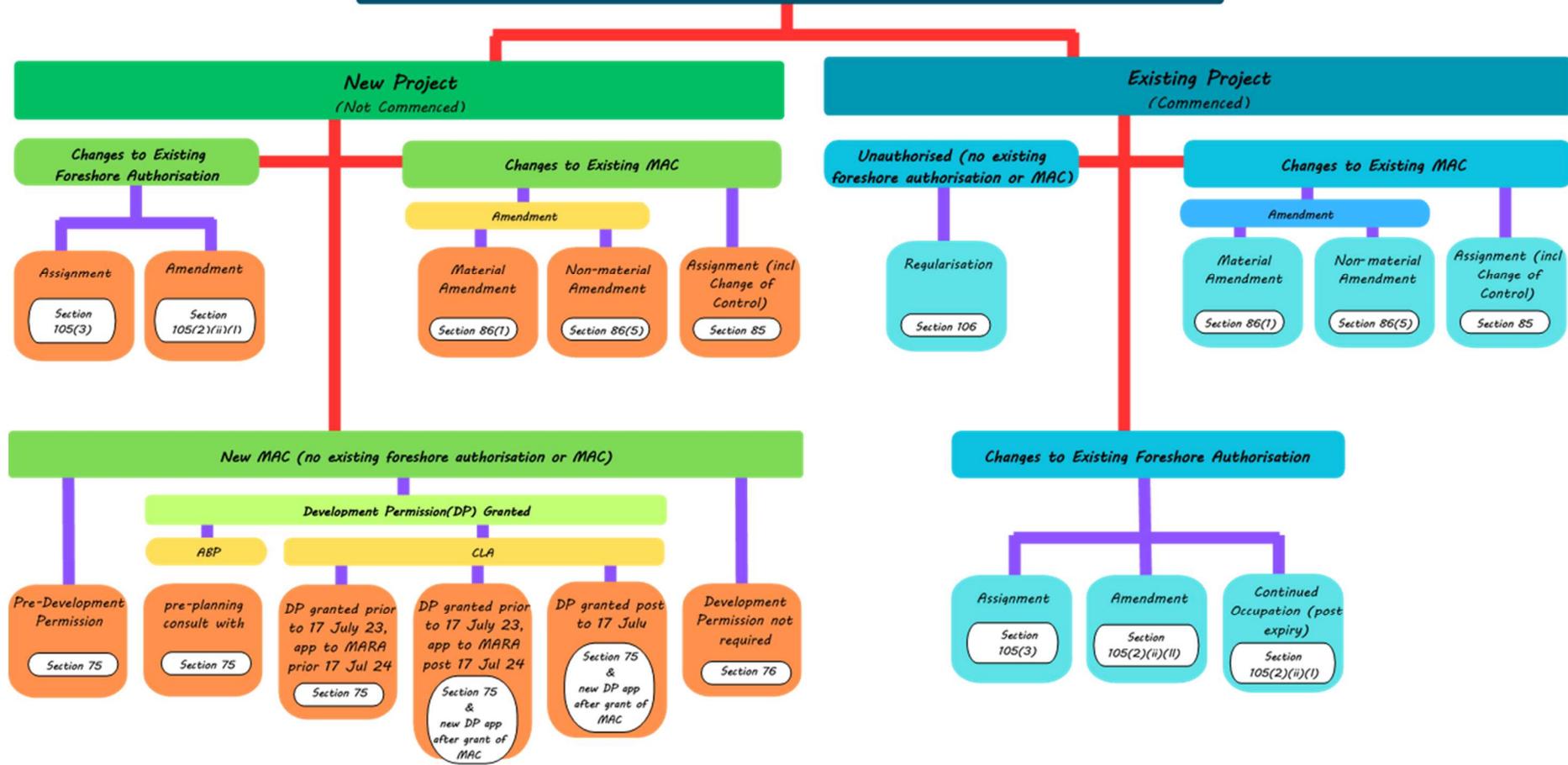
The process flow illustrated in Figure 1 sets out the various types of applications and associated provisions of the Act under which MARA may receive MAC applications, including for existing and proposed projects. This illustrates the broad scope of the guidance and the need for it to apply to all the types of MAC applications set in Figure 1. Applications received by MARA are not all simply for new proposed projects, but also include a range of scenarios across existing projects from those already consented but not commenced to long standing operational projects.

The current guidance provides for exclusions on the applicability of certain tests under certain circumstances, particularly in relation to projects that adopt a project finance funding arrangement where Financial Close (FC) had been achieved. The notes on exclusions are currently peppered throughout the body of the guidance, thus requiring readers to interpret and extrapolate which tests apply in their individual circumstances. In addition, as part of the review it has been identified that not all tests will apply to projects that are built/ commercial operational (i.e. post build completion stage).

Accordingly, there is a need for improved clarity in relation to the applicability of the guidance itself and its various requirements, including financial thresholds, including for different:

- types of MAC applications that MARA may receive;
- types of MAC applicant;
- stages of development of MAC projects; and
- types and stages of project funding arrangements.

Figure 1: MAC Application Type- Process Flow



Proposed Change

To address variations on the applicability of tests, Table 2 below is proposed to replace the existing table under Section 4.1.4 of the current guidance. The table in essence acts as a decision-tree for applicants which enables them to easily and quickly decipher the applicable test and thresholds to their project scenario.

Table 2: MAC Financial Assessment Tests <small>Note 1 & 2</small>											
Project Value	Group 1 (under €10m)					Group 2 (over €10m)					
Stage of Project	Pre FC and Pre Build Completion	Post FC and Pre Build Completion		Post Build Completion/ Start of Commercial Operation Date (COD)		Pre FC and Pre build completion	Post FC and pre build completion		Post Build Completion/ Start of COD		
Project Funding Arrangement		Funding using existing Resources or New 3 rd Party Funding <small>Note 3</small>	Project Finance	Funding using existing Resources or New 3 rd Party Funding <small>Note 2</small>	Project Finance		Funding using existing Resources or New 3 rd Party Funding <small>Note 2</small>	Project Finance	Funding using existing Resources or New 3 rd Party Funding <small>Note 2</small>	Project Finance	
Going Concern	<i>Unqualified Opinion with No Statement of Material Uncertainty</i>					<i>Unqualified Opinion with No Statement of Material Uncertainty</i>					
Turnover Ratio	N/A	N/A	N/A	N/A	N/A	1.5x	1.5x	N/A	1.5x	N/A	
Profit after Tax Margin	3%	3%	N/A	3%	N/A	3%	3%	N/A	3%	N/A	
Current Ratio	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	
Gearing	60%	60%	N/A	60%	N/a	60%	60%	N/a	60%	N/a	
Interest Cover	2.5x	2.5x	N/A	2.5x	N/a	2.5x	2.5x	N/a	2.5x	N/a	
Financial Resources	<i>Total Outstanding Project Costs will equal all Project Costs to be incurred up to FC</i>	<i>Total Outstanding Project Costs will equal all Project Costs to be incurred post FC and up to build completion or COD</i>	N/A	N/A	N/A	<i>Total Outstanding Project Costs will equal all Project Costs to be incurred up to FC</i>	<i>Total Outstanding Project Costs will equal all Project Costs to be incurred post FC and up to build completion or COD</i>	N/a	N/a	N/a	
Net Assets	Greater 0	Greater 0	Greater 0	Greater 0	Greater 0	25% of total Project Costs	50% of total Project Costs	50% of total Project Costs	50% of total Project Costs	50% of total Project Costs	

Confirmation	N/A	N/A	N/A	<i>The Relevant Person should also confirm that it has sufficient cash/funds available to meet all post build completion costs including debt service requirements where applicable.</i>	<i>The Relevant Person should also confirm that it has sufficient cash/funds available to meet all post build completion costs including debt service requirements where applicable.</i>		N/A	N/A	N/A	<i>The Relevant Person should also confirm that it has sufficient cash/funds available to meet all post build completion costs including debt service requirements where applicable.</i>	<i>The Relevant Person should also confirm that it has sufficient cash/funds available to meet all post build completion costs including debt service requirements where applicable.</i>
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Note 1: All tests above are undertaken on the Relevant Person.

Note 2: All definitions as set out in Section 1 above shall apply to the Table 2.

Note 3: New 3rd party funning may include any forms of debt instruments, equity, grants, etc.

As per Table 2, with the exception of the financial resources test, the same thresholds as for pre build completion stage apply to post build completion stage. Where a project has adopted a project finance structure and achieved financial close, the financial capability assessment under the relevant Group will be based on a reduced number of tests i.e., Going Concern, Current Ratio and Net Assets.

The Relevant Person must also confirm that it has sufficient cash/funds available to meet all post build completion costs including debt service requirements where applicable.

3. Clarification on changes to an existing MAC or Foreshore Authorisation

Context

The current guidance sets out that change to an existing MAC includes applications for assignment (Section 85, including change of control) and amendment applications (Section 86 of the Act). It is intended that the guidance applies to all potential MAC applications under the various provisions of the Act, as set out in Figure 1 above.

Proposed Change

Amendments to Section 2.2 of the existing guidance are proposed to provide clarity that the guidance also applies to applications for MAC under transitional provisions of the Act for exiting foreshore authorisations (Section 105) and for unauthorised maritime usages (Section 106).

As per the Guidance, where there are changes proposed to an existing MAC, the current holder and/or a new proposed MAC holder (including a foreshore authorisation holder, under Section 105) will be required to undergo a financial capability assessment, to ensure that each entity is financially capable of meeting all its financial commitments, including debt service requirements where applicable. Accordingly, where a change to an existing MAC is proposed each entity will be subject to a financial assessment based on the revised thresholds in Table 2 above. The tests shall be relevant to the stage of the project (i.e. pre or post build completion stage and pre or post financial close). Each entity will also be required to confirm in writing their ability to meet all post build completion costs including debt service requirements.

In all cases, details should be provided on any proposed changes to the current funding/debt raised against the project i.e., refinancing, along with supporting documentation.

4. Clarification on remaining fit & proper

Context

The existing Guidance and MAC conditions specifies that the Relevant Person is required to remain a fit & proper person for the duration that a MAC is held. In order to demonstrate that an applicant has sufficient financial strength / capability to build, maintain, operate and decommission a MAC project, the Holder of a MAC is required to confirm on an annual basis that they still meet the financial tests.

While the current guidance makes reference to this requirement, it is considered necessary to clearly set out that MARA will utilise the guidance as a benchmark for undertaking fit and proper financial tests for the purpose of compliance and enforcement. Further clarity in relation to compliance reporting requirements is also considered to be warranted.

Proposed change

The following wording will be included in the Guidance:

The guidance shall be utilised for the purpose of compliance and enforcement of MACs with regard to financial capability to continue to hold a MAC. MAC holders will be required to confirm on annual basis that they remain fit and proper, including that they still meet the financial test thresholds.

Each entity (relevant person the subject of a MAC) is required to undertake a financial self-assessment based on the tests in the guidance, including financial test as set out in Table 2 above (note applicable tests where project finance is used). The tests shall be relevant to the stage of the project (i.e. pre or

post build completion stage and pre or post financial close). Each entity will also be required to confirm in writing their ability to meet all post build completion costs including debt service requirements. Post receipt of a MAC, the Holder shall submit an annual letter of assurance from a qualified accounting / tax professional that is registered with a recognised professional body⁴, confirming that the Holder continues to be a fit and proper person from a financial perspective, including compliance with applicable thresholds.⁵

All annual financial assessments and demonstration of ongoing compliance requirements must be undertaken in accordance with the most recent version of the guidance, as published on MARAs website at the time.

5. Amendment to the definition of Project Costs

Context

A MAC comprises a “right to occupy” a part of the maritime area for a specific use (permitted maritime usage). MARA is responsible for the orderly, timely, proper and sustainable management of the maritime area while also protecting the public interest. In order to protect the State maritime assets and public interests, MARA assesses a Relevant Person’s ability to deliver, maintain operate and decommission MAC projects. The FCA assesses whether the Relevant Person has sufficient scale and income generation to deliver a MAC project.

While some projects the subject of a MAC are entirely located in the maritime area, others traverse the maritime area and land. In the case of the latter, it is important to understand the interdependencies of the maritime elements to the land elements of the project and whether the land aspect is intrinsic upon delivery of the maritime element. Where the land element is intrinsic upon maritime element, the Relevant Person must be able to demonstrate that they meet the financial tests for the entire project (maritime and land elements) in order to demonstrate the viability and deliverability of the maritime elements.

Proposed Change

The definition for “Project Costs” are proposed to capture all costs expected to be incurred/expensed to deliver the entire project on land and in the maritime area where intrinsically linked. Accordingly, the definition of Project Costs is proposed to be amended in the Glossary of the Guidance, as follows:

- *Project Costs: Any cost/financial commitment including capital, financing and other but excluding contingent liabilities, to be incurred/expensed in the maritime area and on land (where relevant and intrinsic to the project) in the delivery of the proposed project.*

The application form shall also be revised to include questions on the linkages and interdependencies, if any, between maritime and land elements of a proposed maritime usage.

⁴ For example, the Association of Chartered Certified Accountants, Chartered Accountants Ireland, Chartered Institute of Management Accountants, Institute of Incorporated Public Accountants, International Register of Certificated Auditors etc.

⁵ A holder may also utilise the “the comply and explain” approach as set out below.

6. Clarification on treatment of non-compliance with financial test thresholds

Context

The guidance adopts a ‘comply or explain’ principle, whereby if a test is not met, the applicant does not automatically fail the FCA. An applicant is permitted to explain a non-compliance with a threshold provided a sufficient explanation based on reasonable grounds is made. Based on feedback from stakeholders, it is apparent there is unease and a lack of certainty around what would qualify as reasonable grounds for non-compliance.

Proposed Change

In order to provide more clarity on circumstances or actions which may be factored into MARA’s assessment of the Relevant Person’s financial capability where non-compliance has occurred, it is proposed to provide a standalone section with details on the “comply or explain approach”. This section will include examples of the types of scenarios that may constitute reasonable grounds for adopting the “explain” approach. The following wording will be included in the Guidance:

Where a Relevant Person is unable to comply with any of the financial test thresholds, this will not automatically result in the Relevant Person failing the financial capability assessment. However, the onus is on the Relevant Person to provide a sufficient explanation for each threshold not met, along with supporting evidence of extenuating circumstances or mitigating actions. All explanations should have limited negative impact on the company and have not led to a material uncertainty with regards to the company’s going concern status, examples may include:

- *Unexpected/once off event i.e., fire, flood, pandemic etc.,*
- *Loss of a contract/customer which has since been replaced i.e., signed contract/new customer in place*
- *Once off liability i.e., legal case etc.,*
- *Asset write off/impairment write down i.e., fixed asset, stock etc.,*
- *Short term volatility in market conditions i.e., commodity/currency pricing etc.,*
- *Ability to source project finance to fund the proposed project where current gearing is high*

Note that the above are only examples and all explanations should be tailored to each Relevant Person’s circumstances, with an emphasis on why its financial capability is not significantly impacted. Also, explanations should include reference to specific funding arrangements to address non-compliance. In considering non-compliance, the response from the Relevant Person should provide MARA with the necessary assurance that all Project Costs relating to the MAC project can be met.

7. Amendment to Supporting Entity Guarantee process

Context

Where a Relevant Person is relying on the resources of a Supporting Entity(s) to meet financial test thresholds, a SEG must be submitted by the Supporting Entity(s).

Through the development of MARAs MAC processes and procedures, MARA has refined and streamlined approaches in relation to Supporting Entity Guarantees (SEGs) in order to eliminate inconsistencies.

Proposed Changes

In order to ensure consistency in the processing and review of a SEG, the following revised SEG process will be applied:

1. *The relevant Person will be required to complete a new SEG form to be included in the Guidance which requires specific details relating to:*
 - a. *General company information*
 - b. *Legal Status*
 - c. *Company structure and relationship with the Relevant Person*
 - d. *Incorporation*
 - e. *Commercial operations*
2. *Based on the completed form, MARA's legal unit will draft an SEG, which must be signed by the Relevant Person (i.e. the Supporting Entity).*
3. *Upon receipt of the signed SEG, it will be reviewed and verified by MARA and an executed copy of the SEG will be sent to the Relevant Person. The original executed document will be retained by MARA.*

8. New Supporting Entity Guarantee form

Context

Please refer to item 7 above.

Proposed Change

Where a Relevant Person has outlined that it will be relying on a Supporting Entity, the Relevant Person(s) will be required to complete the below form. If a Relevant Person is relying on more than one Supporting Entity, the form will be required to be completed in respect of each Supporting Entity.

Supporting Entity Information	
Name	
Registered Office Address	
Contact number	
Email address	
Is the Supporting Entity a company incorporated in Ireland	<input type="checkbox"/> Yes <input type="checkbox"/> No
Company registration number	

Year of establishment	
Name, address and email address of contact person in the Supporting Entity company to whom all correspondence can be sent and received	

Legal Status of the Supporting Entity	
Is your company a:	
Private Limited Company	<input type="checkbox"/> Yes <input type="checkbox"/> No
Public Limited Company	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please specify	

Supporting Entity Structure	
Is the Supporting Entity a parent company or non-parent company of the Relevant Person	<input type="checkbox"/> Parent <input type="checkbox"/> Non-parent
If non-parent –	
i. please state the relationship of the Relevant Person to the Supporting Entity and	
ii. please provide details in respect of same together with chart illustrating company structure (as relevant).	<input type="checkbox"/> – copy attached
If a non-parent, is there a legal or binding agreement between the Supporting Entity and the Relevant Person?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please provide a copy of the agreement together with details of the agreement.	<input type="checkbox"/> – copy attached

Supporting Entity not incorporated in Ireland	
	<input type="checkbox"/> Yes <input type="checkbox"/> No

<p>Is the Relevant Person relying on a Supporting Entity that is not incorporated in Ireland?</p> <p>If yes, please provide details of the jurisdiction in which the Supporting Entity is incorporated and furnish company registration documentation.</p>	
<p>If the Relevant Person is relying on a Supporting Entity that is not incorporated in Ireland, please furnish:</p> <p style="margin-left: 20px;">i. A legal opinion by an authorised legal firm, that can legally act in the jurisdiction in which the Supporting Entity is incorporated and / or domiciled, stating that a supporting entity guarantee entered into by this Supporting Entity is enforceable; and</p> <p style="margin-left: 20px;">ii. A legal opinion from an Irish Law Firm as to the enforceability in Ireland of a supporting entity guarantee entered into by the Supporting Entity;</p> <p>in line with 3.4.3. of the Financial Capability Assessment for a Maritime Area Consent Guidance and Application Form Templates.</p>	<p><input type="checkbox"/> - attached</p> <p><input type="checkbox"/> - attached</p>

Multiple Supporting Entities	
<p>Is the Relevant Person relying on more than one Supporting Entity?</p> <p>If yes, please provide the name of each Supporting Entity and the percentage of Levies each Supporting Entity intends to guarantee in respect of this MAC application.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

Commercial Operation Structure	
<p>Will the project, the subject matter of this MAC application solely, upon completion of construction generate revenue?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>If yes, please provide details of same.</p>	

9. Extraction of form appendices from guidance into stand-alone forms

Context

In the interest of good practice and to enable forms to be dynamic and easily amended as required, it is proposed to extract all forms from the guidance.

Proposed Change

All appendices in the current Guidance will be extracted and captured into stand-alone forms.

10. Addition of sector specific checklists

Context

As per the current guidance, local authorities and individuals are not subject to the FCA tests. The FCA tests are not considered appropriate or feasible for local authorities given the financial reporting obligations and funding structures of these organisations. Instead they must complete all the relevant appendices and provide a letter of assurance from a qualified accounting / tax professional that is registered with a recognised professional body should be provided, stating that the individual has sufficient funds and / or funding arrangements in place to cover all Project Costs. In addition, letters of assurance must be provided from any granting/ funding authority to confirm the availability and eligibility of grants/ funding.

While the guidance sets out the above requirements for local authorities, many non-commercial state bodies similarly receive the majority of their funding from the general government sector and have similar financial reporting obligations and funding structures. Therefore, the FCA tests are also considered inappropriate for most non-commercial state bodies.

It is evident through the assessment of applications to date that there is lack of clarity in relation to requirements for local authorities/ non-commercial state bodies and individuals.

Proposed Changes

An applicant checklist will be included with the financial capability guidance forms which captures all of the appendices/templates required in accordance with the Guidance. The checklist will indicate the appendices/forms required to be completed and submitted by each of the following applicant types:

- Local Authority/ Non-Commercial State Bodies⁶;
- Individual; and
- Company.

It is also proposed to extend the same requirements for a Local authority to Non-Commercial State Bodies/Agencies within the guidance.

⁶ State bodies who in the delivery of their statutory functions do not generate a profit and/or which receive the majority of their funding from the general government sector; for example, the Office of Public Works, The National Transport Authority, the Marine Institute, Enterprise Ireland, etc.

In 2015, the Institute of Public Administrations publish a report on the [Review of national non-commercial state agencies in Ireland](#) which lists such bodies.