

MATRIX

Voluntary liquidations – a comparison

This matrix has been prepared to provide a comparison of solvent voluntary liquidations of companies in the British Virgin Islands (**BVI**), the Cayman Islands, Guernsey and Jersey as at its date of publication. It is for general information only and is not intended to, and does not, constitute legal, financial or other advice upon which you may act or rely and does not constitute an offer to provide such advice

	BVI	Cayman	Guernsey Voluntary strike-off	Guernsey Voluntary winding up	Jersey
Eligibility	A company may only be put into voluntary liquidation if it has no liabilities or it is able to pay its debts as they fall due and the value of its assets exceeds its liabilities	A company may only be put into voluntary liquidation if it has no liabilities or it is able to pay its debts as they fall due and the value of its assets exceeds its liabilities	<p>A company may only apply to be voluntarily struck off if it:</p> <ul style="list-style-type: none"> • is solvent • has not, in the three months preceding the date of application: <ul style="list-style-type: none"> ◦ changed its name ◦ traded or otherwise carried on business ◦ made a disposal for value of property or rights that, immediately before ceasing to carry on business, it held for the purpose of disposal for gain in the normal course of carrying on business or ◦ engaged in any other activity (except for concluding the affairs of the company or complying with any enactment) • does not have any outstanding liabilities and • is not party to any proceedings 	A company may be summarily wound up if it is solvent	A company may only be summarily wound up if it is solvent

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Approvals	<p>Director resolutions approving the liquidation plan and appointing the liquidator and shareholder resolutions approving the liquidation plan</p> <p>The directors must also make a declaration of solvency</p>	<p>A company may commence voluntary liquidation:</p> <ul style="list-style-type: none"> upon the occurrence of an event or expiry of a period for the duration of the company specified in the memorandum and articles of association or if the shareholders pass a special resolution placing the company in voluntary liquidation or if the shareholders pass an ordinary resolution placing the company in voluntary liquidation because the company is unable to pay its debts as they fall due <p>However, if a directors' solvency declaration is not filed within 28 days of commencement of a voluntary liquidation, the liquidator must apply to have the liquidation continue under court supervision</p>	<p>The application for voluntary strike off is made by the board of directors to the Guernsey Registrar</p> <p>A director of the company must sign a declaration of compliance (voluntary strike off) certifying that all the requirements of the law relating to the application for strike off have been fulfilled</p>	<p>Shareholders pass either a special resolution to voluntarily wind up the company or an ordinary resolution if a winding up event or expiry date is triggered under the memorandum and articles of incorporation</p> <p>An ordinary resolution of the shareholders to appoint a liquidator and to fix his remuneration</p>	<p>Each director of the company must sign a statement of solvency</p> <p>The company must pass a special resolution of its members to summarily wind-up the company within 28 days after the statement of solvency has been signed and, if the members wish, they may also (at the same time or later) appoint a liquidator by special resolution (note that there is no requirement to appoint a liquidator)</p>
Commencement and termination	<p>Commencement: the date the liquidator files a notice of appointment with the BVI Registrar of Corporate Affairs (the BVI Registrar)</p> <p>Termination: the date on which the BVI Registrar issues a certificate of dissolution</p>	<p>Commencement: the date of shareholder resolutions or the date on which a voluntary liquidation is triggered under the memorandum and articles of association</p> <p>Termination: date noted on the certificate of dissolution which will be three months from the registration of the final return with the Cayman Islands' Registrar of Companies (the Cayman Islands' Registrar)</p>	<p>Commencement: upon the application for voluntary strike off</p> <p>Termination: two months from the date of the Guernsey Registrar's notice stating that the company will be struck off the Guernsey Register</p>	<p>Commencement: upon passing of the shareholder resolution for voluntary winding up</p> <p>Termination: three months after the date of delivery of the liquidator's notice to the Guernsey Registrar of Companies (the Guernsey Registrar) confirming that the final general meeting has been held and its date</p>	<p>Commencement: the date of the passing of the special resolution to wind-up the company</p> <p>Termination:</p> <ul style="list-style-type: none"> where the company has no assets and no liabilities, upon registration of the solvency statement, or where the company has assets and liabilities or assets and no liabilities, upon registration of a statement that the company has no assets and no liabilities

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Filings/notices	<p>Commencement filings with the BVI Registry of Corporate Affairs (the BVI Registry):</p> <ul style="list-style-type: none"> the notice of appointment of the liquidator the declaration of solvency (or an extract) the liquidation plan <p>Notice of appointment is also published in:</p> <ul style="list-style-type: none"> the Gazette a newspaper in the BVI, and a newspaper in the place where the business of the company is located (if any) or where it is likely to come to the attention of creditors <p>Termination filings with the BVI Registry:</p> <ul style="list-style-type: none"> a completion statement <p>Notice of strike-off and dissolution is also published in Gazette after the certificate of dissolution has been issued by the BVI Registry</p>	<p>Commencement filings with the Cayman Islands' Registrar (to be filed within 28 days of the commencement of the voluntary liquidation):</p> <ul style="list-style-type: none"> notice of voluntary winding up liquidator's consent to act declaration of solvency <p>Notice of the date of the final general meeting and notice to creditors is also published in the Cayman Islands Gazette (at least 21 days before the date of the final general meeting)</p> <p>Termination filings with the Cayman Islands' Registrar (to be filed within seven days of the final general meeting of the company):</p> <ul style="list-style-type: none"> final return of liquidator 	<p>Commencement filings with the Guernsey Registry:</p> <ul style="list-style-type: none"> the board of directors' application to the Guernsey Registrar to have the company voluntarily struck-off copies of the application must be sent to each current and any new (ie after date of application) member, employee, creditor, director, manager or trustee of any pension fund established for the benefit of employees of the company 	<p>Commencement filings with the Guernsey Registry:</p> <ul style="list-style-type: none"> a copy of the special resolution or the ordinary resolution approving the voluntary winding up within 30 days of being passed <p>Termination filings with the Guernsey Registry:</p> <ul style="list-style-type: none"> notice is given by the liquidator to the Guernsey Registrar confirming that the final general meeting informing the shareholders that the company's affairs are fully wound up has been held and its date 	<p>Commencement filings with the Jersey Registrar of Companies (the Jersey Registrar):</p> <ul style="list-style-type: none"> the solvency statement and the special resolution(s) <p>Termination filings with the Jersey Registrar:</p> <ul style="list-style-type: none"> where the company has no assets and no liabilities, none; or where the company has assets and liabilities or assets and no liabilities, the company must also file (once the liabilities have been discharged and the assets distributed) a statement that the company has no assets and no liabilities
Timing	60 – 90 days	6 – 8 weeks	At least two months from the date of the board of directors' application	At least three months from the date of delivery of the liquidator's notice to the Guernsey Registrar	<p>Where the company has no assets and liabilities, the process is very quick (it can be as quick as a couple of days)</p> <p>Where the company has assets and/or liabilities, the process takes as long as it takes to distribute the assets or satisfy the liabilities (which must be done within six months of the date of the solvency statement)</p>

Contacts

To find out more, please get in touch with your usual Mourant contact, or alternatively, a full list of contacts can be found [here](#)

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