



Liquidations and Dissolutions

Overview of Services

Our team has dedicated and experienced professionals who focus solely on providing voluntary liquidation and dissolution services to asset holding companies, investment funds and structured finance vehicles in Bermuda, the British Virgin Islands ("BVI"), the Cayman Islands, Dubai, Hong Kong, Luxembourg, the Netherlands and Singapore.

There are significant advantages offered by dissolving a solvent entity through a voluntary liquidation as opposed to other potentially more economical methods.

The appointment of a specialist third party to support the liquidation process ensures that the wind down of an entity will be handled objectively, transparently and in accordance with all local statutory requirements.

Backed by an extensive operational and support network, as well as the expertise of accounting, compliance, information technology and legal professionals, we have developed best practice procedures and enjoy a reputation as a market leader in this space across the jurisdictions in which we operate.

General Engagement Requirements

In order to provide our services, we will generally require that an entity:

- Is solvent and able to pay its debts as and when they fall due;
- Is not the subject of any outstanding or pending litigation;

- Is in good standing with the local government authorities, including being up to date with all tax filings;
- Is a shell or, where it is holding assets only, has cash remaining (we would require Know Your Client on any parties to whom we are distributing the remaining cash to during the liquidation); and
- Has a stakeholder with knowledge of the entity, who is willing to provide written representations to the above effect.

Jurisdictional Overview

Bermuda

In Bermuda, a liquidated entity can be reinstated for a period of up to 10 years post liquidation date by an application to the Court, however, the liability of the company and any officer, manager and member will cease upon the completion of the liquidation.

Our team can provide two individuals to act as voluntary liquidators to Bermuda companies.

BVI

The BVI voluntary liquidations regime provides a formal statutory process designed to ensure that all outstanding claims are settled whilst maximizing the return to shareholders. The BVI does not have a voluntary strike-off option so a voluntary liquidation is the only recommended option to dissolve a solvent company.

Whilst a company that has been dissolved by voluntary liquidation can, for a period of 10 years post liquidation date, in limited circumstances, be reinstated to the Register of Companies by an order of the Court, the company cannot incur liabilities and creditors are unable to make a claim against the company until it has been reinstated. Another jurisdictional nuance is that the BVI does not allow an individual to act as voluntary liquidator if they have been a director or acted in a senior management position of that same company at any time during the preceding two years prior to the commencement of the liquidation¹.

As of 1 January 2023, the BVI Business Companies Regulations sets out certain criteria that an individual must meet to act as voluntary liquidator to a BVI entity as well as requiring that at least one of the voluntary liquidators appointed be a resident in the BVI.

Our team can two qualified individuals, including one of which is resident in the BVI, to act as voluntary liquidators to entities that meet our engagement requirements and that are not regulated as financial services licensees².

Cayman Islands

The Cayman Islands has a similar voluntary liquidation process to the BVI with the added benefit of the entity being permanently removed from the Cayman Islands register upon completion.

Our team is the largest voluntary liquidation team in the Cayman Islands and we are engaged on

approximately 30% of the total number of voluntary liquidations done in the Cayman Islands each year. We typically appoint our corporate liquidator to act as voluntary liquidator to companies and partnerships.

Our services can also extend to assisting clients with the de-registration of investment funds registered as mutual and private funds with the Cayman Islands Monetary Authority.

Dubai

In Dubai, a liquidated entity can be reinstated for a period of up to six years post liquidation date by an application to the Court, however, the liability of the company and any officer, manager and member will cease upon the completion of the liquidation.

Our team can provide an individual to act as voluntary liquidator to Dubai International Financial Centre vehicles.

Hong Kong

In Hong Kong, a liquidated entity can be reinstated for a period of up to two years post liquidation date by an application to the Court, however, the liability of the company and any officer, manager and member will cease upon the completion of the liquidation.

Our team can provide two individuals to act as voluntary liquidators to Hong Kong companies. As part of this service, we work with our clients' tax advisors to obtain final clearance from the Hong Kong Inland Revenue Department.

Luxembourg

In Luxembourg, a liquidation is the only voluntary method to dissolve an entity. Our team can provide our corporate liquidator to act as liquidator to Luxembourg entities.

We can also assist in the role of liquidation auditor where a third party liquidator is being appointed.

The Netherlands

¹ Refer to Section 19(2) of the BVI Business Companies Regulations

² As described in Section 20 of the BVI Business Companies Regulations, 2012

Our team can provide our corporate liquidator to act as liquidator to Dutch companies in a member's voluntary liquidation.

Singapore

Similar to Hong Kong, a liquidated entity in Singapore can be reinstated for a period of up to two years post liquidation date by an application to the Court, however, the liability of the company and any officer, manager and member will cease upon the completion of the liquidation.

Our team can provide two individuals to act as voluntary liquidators to Singapore companies. As part of this service, we work with our clients' tax advisors to obtain final clearance from the Inland Revenue Authority of Singapore.

The United Kingdom

Our team can file for strike off and dissolution of a UK company or limited liability partnership and act as a liquidator for a members' voluntary liquidation.

Maples Group Advantage

Our global footprint and combined legal and entity formation and management offerings ensure you have immediate access to expert advice and bespoke full-service solutions.

We offer a number of benefits, which include:

- Providing a fixed quote that includes all fees and disbursements;
- Providing experienced individuals to either act as liquidator or manage the liquidation through a corporate vehicle depending on the jurisdiction;
- No requirement for a third party indemnity if our general engagement requirements are met and no assets remain;
- Standard acceptance requirements and regularly reviewed template documentation;
- Knowledgeable professionals who hold post-graduate qualifications and / or a minimum of five years' experience in the liquidation and dissolution of structured finance and investment vehicles; and
- Our professional, organised and efficient approach.

For further information on our services, please contact:

Mervin Solas

+1 345 814 5760

mervin.solas@maples.com

Kate Thinguri

+1 345 814 6180

kate.thinguri@maples.com

Andrew Nembhard

+1 345 814 6146

andrew.nembhard@maples.com

Jorgina Williams

+44 7385 391 971

jorgina.williams@maples.com