

Liquidations and Dissolutions

Frequently Asked Questions

The Maples Group is a leading service provider offering clients a comprehensive range of legal services on the laws of the British Virgin Islands, the Cayman Islands, Ireland, Jersey and Luxembourg, and is an independent provider of fiduciary, fund services, regulatory and compliance, and entity formation and management services. The Maples Group distinguishes itself with a client-focused approach, providing solutions tailored to their specific needs. Its global network of lawyers and industry professionals are strategically located in the Americas, Asia, Europe and the Middle East to ensure that clients gain immediate access to expert advice and bespoke support, within convenient time zones.



What liquidation services does the Maples Group provide?

The Maples Group's fiduciary services team provides voluntary liquidation and dissolution services to a wide range of clients and structures in the Cayman Islands, the British Virgin Islands and Delaware. Our professionals are market leaders in the provision of fiduciary, formation and management services and trust and private client services to investment funds, trusts, structured finance vehicles and corporate entities established in the Americas, Europe, Asia and the Middle East.

Our voluntary liquidations team is one of the largest in the Cayman Islands and has developed best practice procedures to meet all local statutory requirements. Our teams of qualified professional liquidators, across our network, have extensive experience of dissolving various finance vehicles, investment funds, companies and trusts. We can also provide liquidation support services in Ireland, Luxembourg, the Netherlands and Singapore. Our clients include global financial institutions, institutional investors, pension plans, family offices and investment management firms.



What is the Maples Group?

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Why do clients choose the Maples Group?

Clients choose the Maples Group due to our professional, organised and efficient approach which has seen us grow into the largest provider of voluntary liquidation services in the Cayman Islands.

We provide a fixed fee quote and offer two experienced professionals to act as joint voluntary liquidators.



Does the Maples Group have its own compliance officer, risk officer, internal auditor and general counsel?

Yes, our liquidations team is supported by a dedicated compliance group comprised of the Chief Risk Officer and a team of experienced compliance professionals. In addition to our annual external audit, the team is subject to an annual internal audit by the Maples Group's internal audit team. The fiduciary team also has a full-time in-house General Counsel and two Assistant General Counsels.



Does the Maples Group require a third party indemnity?

The Maples Group and the individuals who act as joint voluntary liquidator do not require a third party indemnity on the basis that the entity meets our standard engagement requirements. The only indemnity we require is from the entity being liquidated, which is detailed in our standard terms and conditions that are agreed upon our appointment.

This will indemnify the Maples Group and the individuals who act as voluntary liquidator, to the extent that assets remain in the entity, for all losses except those losses that are caused by that party's actual fraud or willful default.



Are the Maples Group's professional staff members of any professional bodies?

All of the Maples Group's liquidations and dissolutions professionals are members of the Recovery and Insolvency Specialists (Cayman) Association Ltd., and through this membership are also members of the International Association of Restructuring, Insolvency and Bankruptcy Professionals ("INSOL").



Do Maples Group professionals work from locations outside of your offices? Are they easily accessible?

All Maples Group liquidations and dissolutions professionals operate from our offices and outside of office hours they are easily accessible via email or mobile phone.



Does the quote provided by the Maples Group cover all fees and costs of the liquidation?

The MaplesGroup will provide a fixed fee quote that will cover all costs of the liquidation (including filing and advertisement costs) on the assumption that the position of the entity is consistent with the information represented to us on appointment.

If an extraordinary event occurs that requires our staff or the joint voluntary liquidators to spend significant further time, then we would need to discuss potentially moving to an hourly rate. Examples of such events would be the discovery of further assets that would need to be realised / distributed or if litigation was commenced against the liquidating entity.



We have assets other than cash remaining. Can the Maples Group still provide voluntary liquidators?

The MaplesGroup can provide liquidation services in certain instances where an entity is holding assets other than cash. The most common scenario would involve the entity holding a wholly owned subsidiary that is required to be distributed, in-specie to its parent.

We would be happy to discuss this and other scenarios, but these may require that we be provided with a third party indemnity or that a third party individual or corporate entity is put forward to act as voluntary liquidator.



We are preparing to complete a final audit. Can we commence / complete the liquidation?

The audit will need to be completed and signed off prior to the dissolution of the entity.

With regards to a company, we would normally expect that the audit and any ancillary documentation would be reviewed, approved and executed by the directors, either prior to the appointment of the voluntary liquidators or with the sanctions of the voluntary liquidators post appointment. We are however happy to discuss this point further.



How does a voluntary liquidation commence in the Cayman Islands?

A company will generally be placed into liquidation either in accordance with its memorandum and articles of association (if so specified) or by a special resolution of the voting shareholder(s).

Generally, we recommend in the interests of good corporate governance, that the directors firstly resolve to recommend the winding up to the shareholder(s) and also confirm their execution of the declaration of solvency.

An exempted limited partnership will normally be placed into liquidation in accordance with its limited partnership agreement or if this is silent, then by resolution of its general partner and two thirds of its limited partners.



How long does it take the Maples Group to dissolve a Cayman Islands entity?

The voluntary liquidation of a Cayman Islands company that meets our acceptance criteria will normally take approximately four months to dissolve. This consists of a four to five week period between the date that the shareholders commence the liquidation until the voluntary liquidator holds the final general meeting and a further three month period until the effective date of the dissolution as prescribed by the Companies Law (2016 Revision).

A Cayman Islands exempted limited partnership that has dissolution provisions in its limited partnership agreement ("LPA") can be dissolved in a significantly shorter period depending on the financial position and any notification periods contained in the LPA.



We don't want to pay next year's annual registration fees for a Cayman Islands entity, what needs to happen and by when?

A Cayman Islands company and exempted limited partnership will not be required to pay annual fees for the year if they hold their final general meeting (company) or file their final notice of dissolution (partnership) on or before 31 January of that year.

Consideration should be given to the statutory notice requirements of the respective liquidation processes. In regards to a company, we would generally suggest that you look to commence the liquidation by 15 December of the previous year in order to meet the above deadline.



How can we ensure that the entity does not incur next year's registration fees from the Cayman Islands Monetary Authority ("CIMA")?

The entity will need to be placed into liquidation prior to 31 December and the appointed liquidator will need to file with CIMA the initial termination documents as well as their consent to act and notice of appointment. This would change the status of the entity to 'licence under liquidation' and no further fees would be due. Consideration should be given to CIMA's requirement for a final audit, which may impact the time within which the liquidation can be completed.



The certificate of dissolution for our Cayman Islands company has an effective date three months after the date it was issued. Why is this and can this be circumvented?

This three month period is mandated by the Companies Law (2016 Revision) and cannot be circumvented.



We are winding up and dissolving a Delaware limited liability company or limited partnership. Is there any formal statutory process that we should follow?

Delaware entities are generally wound up in accordance with their operating agreement or by the affirmative vote / written consent of the members / partners and are dissolved on the filing of a duly completed certificate of cancellation with the Delaware Secretary of State.

Prior to filing a certificate of cancellation the Delaware Code requires that the managing member / general partner confirm that the entity has paid or made reasonable provisions to pay all claims and obligations, including contingent, conditional or un-matured contractual claims, known to the entity.

The Maples Group's fiduciary professionals offer the following services to assist clients to dissolve entities that are routinely undertaken as part of a formal voluntary liquidation in other offshore jurisdictions:

- Prepare standard decisions / resolutions of the members / partners to commence winding up;
- Advertise the winding up in Delaware and any other jurisdiction that the entity conducted business;
- Notify all service providers of the proposed dissolution and request their claims;
- Hold the remaining cash balance and process any final payments / distributions; and
- Prepare a plan of winding up to be agreed by all members / partners.

For further information on our services, please contact:

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