

STRIKING OFF OF A CAYMAN ISLANDS COMPANY

If you have a Cayman Islands company and wish to terminate the company before 31 December 2016, time will be of the essence. Regarding termination, two options are available, being a strike off and a voluntary liquidation. A brief description (and some important deadlines) for the strike off method is set out below.

Decision to Strike Off

The strike off method is typically utilized where a company has never traded or where the directors determine that the company has no assets and liabilities and there is no risk of creditors coming forward with claims against the company. In this case, the board of directors of the company would pass resolutions to approve the strike off and a request on behalf of the company would be sent to the Registrar of Companies to strike the company off the Register of Companies.

A company may also be struck off the Register of Companies in the discretion of the Registrar of Companies under certain circumstances.

Deadline to Submit Notice to Registrar of Companies

On a quarterly basis, the Registrar of Companies will publish a notice in the Cayman Islands Gazette to the effect that the company in question has been struck off the Register of Companies, the date on which it has been struck off and the reason therefor. For the quarter ending 31 December 2016, the final date of submission for a strike off application will be 9 November 2016. Where H&J Corporate Services 'Cayman' Ltd. ("H&J") is asked to assist with a strike off application, the documents should be delivered to H&J a few business days before the November submission deadline.

Company may be Reinstated notwithstanding Strike Off

Within a period not exceeding ten years of the strike off, an application may be made to Cayman Islands authorities to reinstate the company. This application may be made by the company or any member or creditor who feels aggrieved by the company having been struck off the register in accordance with the Companies Law. Once reinstated, the company shall be deemed to have continued in existence as if its name had not been struck off and the court of the Cayman Islands may give such directions and make such provisions as seem just for placing the company and all other persons in the same position as nearly as may be as if the name of the company had not been struck off.

Striking Off does not Affect Liability

The striking off the register of any company under the Companies Law shall not affect the liability, if any, of any director, manager, officer or member of the company, and such liability shall continue and may be enforced as if the company had not been dissolved.

Assets Existing at Date of Strike Off

Any property vested in or belonging to any company struck off the register under the Companies Law shall thereupon vest in the Financial Secretary of the Cayman Islands and shall be subject to disposition by the Governor in Cabinet, or to retention for the benefit of the Cayman Islands.

Certificate of Strike Off

Customarily, the Registrar of Companies will issue a certificate of strike off noting the date of strike off, which will be the same date published in the notice in the Cayman Islands Gazette.

For more information contact:-

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