

VOLUNTARY LIQUIDATION 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. The voluntary liquidation option gives the company a sense of finality (i.e. it cannot be reinstated once terminated). H&J Corporate Services (Cayman) Ltd. frequently acts as voluntary liquidator to Cayman companies and would be happy to provide its services. Below are some important deadlines to bear in mind.

Date of Commencement of Winding Up

The winding up of the company is deemed to commence at the time of the passing of the resolution for winding up or on the expiry of the period or the occurrence of the event specified in the company's memorandum or articles of association.

Deadlines to File Initial Notices

Within twenty-eight days of the commencement of a voluntary winding up, the liquidator or, in the absence of any liquidator, the directors must file with the Registrar of Companies a notice of the winding up, the liquidator's consent to act and a director declaration of solvency (if the supervision of the court is not sought).

In the case of a company carrying on a regulated business, a notice of the winding up must also be served upon the Cayman Islands Monetary Authority during this twenty-eight day period.

Lastly, a notice of the winding up must be published in the Cayman Islands Gazette. Remaining deadlines for submission of such notice for publication in the Cayman Islands Gazette will be noon Cayman time on 16 September, 30 September, 14 October, 28 October, 11 November, 25 November, 9 December and 21 December. Generally speaking, the notice will be published ten days after the relevant submission date.

Final Notices and Liquidator's Report

As soon as the company's affairs are fully wound up, the liquidator shall make a report and an account of the winding up showing how it has been conducted and how the company's property has been disposed of and thereupon shall call a general meeting of the company for the purpose of laying before it the account and giving an explanation for it.

At least twenty-one days before the meeting the liquidator shall send a notice specifying the time, place and object of the meeting to each contributory in any manner authorised by the company's articles of association and published in the Cayman Islands Gazette (see above submission deadlines).

The liquidator shall, no later than seven days after the meeting, make a return to the Registrar of Companies specifying (a) the date upon which the meeting was held and (b) if a quorum was present, particulars of the resolutions, if any, passed at the meeting.

Certificate of Dissolution

The Registrar of Companies shall, within three days of receiving a liquidator's return, register such return. Upon the expiration of three months from the registration of the return the company is deemed to be dissolved and a certificate of dissolution will be issued reflecting the deemed dissolution date.

For more information contact:-

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