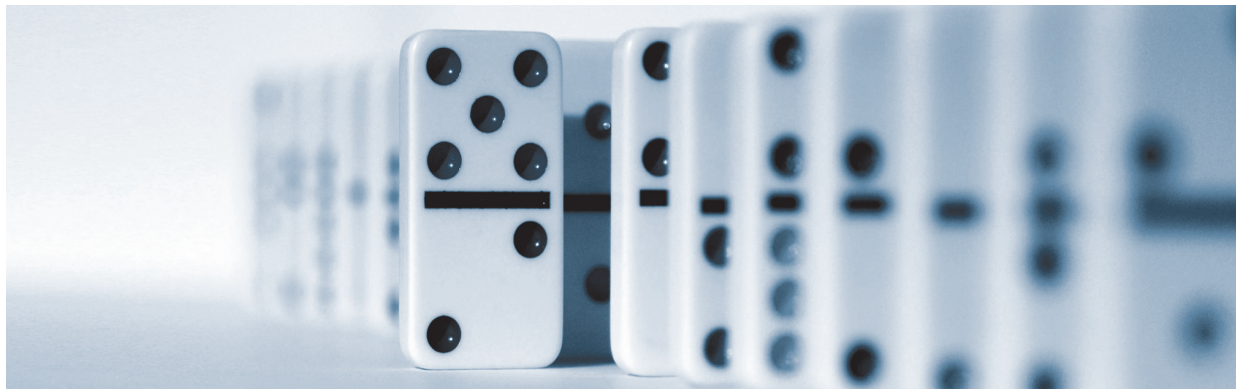


## Reorganisation Services Voluntary Liquidation



Our Reorganisation Services team undertakes a large number of Voluntary Liquidations each year. Our experience and expertise ensures that stakeholders are provided with comfort that a winding up is dealt with objectively, transparently and in accordance with all legislative requirements. Our team deals regularly with financial services companies, hedge funds, partnerships and trading businesses.

### Who we are

Our dedicated team of chartered accountants and qualified insolvency practitioners have conducted Voluntary Liquidation assignments that range from complex work outs and realisations of many different asset types to straightforward 'no-asset' end of life liquidations. We act for investors, lenders, investment managers and service providers, delivering timely, cost effective, liquidations and dissolutions, often working across multiple jurisdictions.

### • Voluntary Liquidations

A Voluntary Liquidation is a legal process to terminate or 'wind up' the operations of a solvent entity in accordance with legislative requirements. Considerable cost savings can often be achieved by placing an entity into Voluntary Liquidation, for example, by terminating service provider relationships which are no longer needed, and by eliminating the need to pay ongoing annual filing and registration fees.

### • Advantages of Voluntary Liquidation

Some of the advantages of a Voluntary Liquidation are:

- The liquidation process ensures that the entity's assets are properly realised and that the proceeds are properly distributed to creditors and investors in accordance with statutory priorities;
- The liquidation process minimises the likelihood of any future claims being made against the entity or its directors;
- The liquidation process fulfills all statutory notice requirements to potential creditors;
- The affairs of the entity are dealt with in a proper and complete manner; and
- The Liquidator has a legal duty to wind up the entity's affairs in an orderly and timely manner.

An alternative to Voluntary Liquidation is to withhold registration fees until the entity is struck off the registry by the Cayman Islands' Register of Companies. However strike off does not necessarily bring closure to the entity's affairs. Stakeholders should be aware that any investor or creditor of an entity that has simply been struck off the register of companies can, for a period of up to 10 years, apply to the Cayman Court to have the entity reinstated. This leaves open the ongoing potential for claims against the directors, officers or shareholders of the entity.

- **Voluntary Liquidation Process**

A Voluntary Liquidation typically commences when the directors of the company resolve to cease the company's operations and make a recommendation to shareholders to place the company into Voluntary Liquidation. The shareholders of the company with voting rights resolve to place the company into liquidation and appoint a Voluntary Liquidator. The Voluntary Liquidator confirms appointment by filing their consent to act with the Registrar of Companies, following which, their appointment has deemed to commence.

Taking into account statutory notice periods, the liquidation process of a company with uncomplicated affairs is generally completed within 3 - 4 months.

Limited partnerships follow slightly different winding up procedures but can be completed in broadly the same timeframe.

### **What we offer**

Our dedicated team has proven technical expertise to deal with all types of Voluntary Liquidation assignments, ensuring that assets are realised and proceeds distributed in a timely and cost effective manner, in the best interests of the stakeholders.

### **Deloitte Cayman**

Operating in the Cayman Islands since 1973, the local practice of Deloitte draws from the resources of 10 partners and over 150 staff members. We are also able to draw from the deep intellectual capital of the 169,000 professionals within the Deloitte Touche Tohmatsu member firms and their affiliates worldwide. Access to this broad base of knowledge enables our professionals to address a broad range of issues involving people, processes, and technology. Our services are scalable and can be tailored to your circumstances and specific needs. For more information about our organisation and its structure, please see [www.deloitte.com](http://www.deloitte.com).

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