

Voluntary Company Liquidation of Companies Registered in Cyprus

Relevant Law:

Voluntary Company Liquidation in Cyprus is governed by the Company Law Chapter 113, Part V.

Members' Voluntary Liquidation Process in Brief

1. The shareholders of the said company decide to cease operations and to proceed with a voluntary liquidation of the company. According to the Law, a company may be wound up voluntarily in the following instances:

a. If there is a prescribed period in the Articles of the company for its duration and such period lapses;

b. If the company resolves by a special resolution to proceed with a voluntary liquidation;

c. If the company resolves by an extraordinary resolution that it cannot continue its operations due to its obligations, and therefore it is advisable to proceed with liquidation.



2. The majority of the directors of the company declare through an Oath of Solvency that after investigating in full the affairs of the company they are of the opinion that the company is solvent and it will be able to pay its debts in full within a period not exceeding 12 month.

The Oath of Solvency is being accompanied by the last possible audited accounts of the company.

The Oath of Solvency should be submitted to the Registrar of Companies within 5 weeks preceding the General Meeting of the company and the adoption of the resolution by the members, in relation to the voluntary liquidation.



3. An Extraordinary General Meeting of the Shareholders takes place regarding the voluntary liquidation and the appointment of a liquidator.

As soon as such a resolution is adopted and a liquidator is appointed the powers of the directors may cease.

The date of the resolution indicates the official date of the commencing of the liquidation.

Not later than 14 days from the date of the resolution same should be submitted to the Registrar of Companies to be published in the official Government Gazette.

4. Settlement of all tax issues and obligations as well as tax de-registration.

5. The liquidator takes possession of the company's assets, settles the cost of liquidation and proceeds with repayments of company's debt obligations from the underline assets of the company.

The liquidator prepares the report on the settlement together with the last Balance Sheet.

The liquidator convenes a General Meeting with a notice published in the Official Government Gazette. Such a notice should be made at least 1 month prior the date of the General Meeting.

6. The liquidator convenes the last General Meeting, presents his report and the last Balance Sheet of the company and explains how the debts of the company have been paid using the assets.

Any surplus is distributed to the Shareholders of the company through a means of dividends or otherwise viewed as fit and proper.

The General Meeting approves the report.

The minutes of the Meeting together with the liquidator's report and the last Balance Sheet is submitted to the Registrar within 1 week after the date of the General Meeting

7. The Company is dissolved 3 months after the submission of the report to the Registrar of Companies.

The dissolution of the company is published in the official Government Gazette.

The liquidator may request from the Registrar to issue a Certificate of Dissolution.

Power of the Court to Declare void the Dissolution of a Company

According to the law the Court may at any time within 2 years from the date of dissolution of a company and with an application submitted to the Court by the liquidator or any other person may appear to have an interest, may issue an order declaring the dissolution as void with such terms deemed proper by the Court.