

Financial Supervision Commission

Companies Registry

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Practice Note

Practice Note 14/2008

6th April 2008

The Limited Liability Companies Act 1996

Dissolving a Solvent Limited Liability Company under Section 11A

Introduction

This Practice Note replaces Practice Note 9/2005 “Dissolving a Solvent Limited Liability Company Under Section 11A of the Limited Liability Companies Act 1996” issued on 1st August 2005.

This Practice Note sets out the procedure for applying to the Financial Supervision Commission (Companies Registry) for a Declaration of Dissolution under Section 11A of the Limited Liability Companies Act 1996 (as inserted by Section 18 of the Companies, etc. (Amendment) Act 2003). It is intended as a general guide only and must be read in conjunction with the relevant legislation. This Practice Note has no legal status and should not be used as a substitute for legal advice.

Contents

1. The Application Form and associated actions
 2. Duties of the Companies Registry on receipt of an application
 3. Dissolving the Company
 4. Further information
-

1. The Application Form and associated actions

- 1.1 The revised procedure for dissolving a solvent limited liability company is effective from 1st November 2004.
- 1.2 The registered agent or any member of the limited liability company can apply for the dissolution of the limited liability company. The application must be accompanied by a Statutory Declaration made by the manager or any member of the limited liability company stating that the company has complied with its obligations under section 10, has ceased to operate and that it has discharged all its debts and liabilities.
- 1.3 Before making an application, the applicant must send a notice by pre-paid post to the registered agent (if the registered agent is not the applicant), manager and each member of the limited liability company stating that the applicant proposes to apply to the Financial Supervision Commission for a Declaration of Dissolution and that, unless written objection is made to the Commission within one month of the date the notice was posted, the Commission may dissolve the limited liability company.
- 1.4 To avoid any delay in dissolving the limited liability company, applicants are advised to contact the Income Tax and Customs & Excise Divisions of the Isle of Man Treasury before making an application and ensure that any outstanding matters concerning those Divisions are resolved.
- 1.5 The application to dissolve the company must be made on the prescribed form (L11A), a copy of which is attached to this Practice Note or which can be downloaded from the Commission's website www.fsc.gov.im. The form consists of 2 pages, the Application Form itself and the Statutory Declaration.
- 1.6 Applicants are advised that the application will be rejected if any document which should have been filed under the Limited Liability Companies Act 1996 is outstanding.
- 1.7 The applicant should also ensure any name registered under the Registration of Business Names Acts has been ceased.
- 1.8 There is a prescribed fee of £54 (from 06/04/2008), which must be paid at the time the application is submitted to the Companies Registry.

2. Duties of the Companies Registry on receipt of an application

- 2.1 When the application has been accepted, the Companies Registry will publish in one local newspaper, on the Financial Supervision Commission's website and in an index available for inspection at the Companies Registry public counter, a notice to the effect that an application has been received. The notice will state that any objections to the dissolution must be made within one month of the date of this notice.

- 2.2 When the notice has been published in all three places, the Companies Registry will advise the Assessor of Income Tax, the Collector of Customs and Excise and the Attorney General of the receipt of the application, and inform them that they have one month in which to give written notice that they have no objection to the dissolution within one month.
- 2.3 **Applicants are advised that, should any objection be received, no Declaration of Dissolution will be made until either the objection is withdrawn, or the Commission decides that the objection is completely without justification.**
- 2.4 If no objection has been received by the end of the period for objections, and if the Assessor of Income Tax, the Collector of Customs & Excise and the Attorney General have confirmed that they have no objection to the dissolution, the Companies Registry will send a letter to the limited liability company, at its registered office, stating that the company is entitled to distribute its surplus assets, and that it may do so.

3. Dissolving the Company

- 3.1 When the limited liability company receives the letter described in paragraph 2.4 above, it must take appropriate action (i.e. seek to distribute any surplus assets) and either (a) confirm to the Companies Registry that it has distributed its surplus assets or (b) state that it cannot do so and give reasons for this.
- 3.2 **If no reply is received, the company will not be dissolved.**
- 3.3 When the reply is received, the Companies Registry will publish in one local newspaper, on the Financial Supervision Commission's website and in an index available for inspection at its public counter, a notice to the effect that the company is dissolved, and, on publication of that notice, the company is dissolved.
- 3.4 As a courtesy, the Companies Registry will advise the company (or the applicant) if so requested, of the date of dissolution by letter.

4. Further information

- 4.1 Our staff will willingly answer general queries by telephone or e-mail but cannot give legal advice. If you require such advice you should consult an Advocate. The telephone number for the Companies Registry is: 01624 689389 and the e-mail address is: companies@fsc.gov.im
- 4.2 Statutory forms and practice notes are available free of charge from our website: www.fsc.gov.im >Companies Registry.

Forms can also be obtained from legal stationers, accountants, advocates and Corporate Service Providers whose addresses can be found in the business section of the telephone book or at: www.manx-ads.com

Details of Isle of Man Advocates are available from the Isle of Man Law Society at:

Isle of Man Law Society
27 Hope Street
Douglas
Isle of Man
IMI IAR

Tel: (01624) 662910
Fax: (01624) 679232
E-mail: iomlawsoc@advsys.co.uk

<http://www.iomlawsociety.co.im/index.htm>

- 4.3 Company documents may be submitted to the Financial Supervision Commission at any time.

During office hours (9.00am to 4.30pm), submission may be effected 'over the counter' in the Companies Registry or at the Commission's main reception desk on the first floor.

Submission may also be effected by post or after office hours by way of the letterbox situated by the main entrance. Presenters requiring acknowledgement of receipt of a document should provide a stamped self-addressed envelope.

The Companies Registry will remain closed on the first Wednesday of each month until 11.00 hrs for staff training. Documents can still be delivered to the first floor or left in the letterbox.

For the purpose of determining the date of submission of a document, documents submitted after 4.30 p.m. on any working day (Day 1) but before 9.00 a.m. on the following working day (Day 2), will be treated as having been submitted on Day 1. For the avoidance of doubt, documents submitted before 9.00 a.m. on the day immediately following a weekend or Bank Holiday, will be treated as having been submitted on the last working day prior to the weekend or Bank Holiday.

However, Section 11C(1) the Act states that a document is not properly "submitted" until it has been accepted for registration. Accordingly, if a document is submitted to the Companies Registry and subsequently rejected under the provisions of Section 11C(3), the document shall not be considered to have been submitted at all.

It is the responsibility of presenters to ensure that documents arrive in the Companies Registry within the filing periods prescribed.

We are aware that post can on occasion be delayed. However presenters should be aware of that and post documents in plenty of time. The Companies Registry cannot operate a system which allows for such delays as to do so would simply amount to an extension to the filing periods set down by law.

Please note: The Financial Supervision Commission does not currently accept statutory documents by fax or e-mail.

Company Number

Form L11A

THE LIMITED LIABILITY COMPANIES ACT 1996

**APPLICATION TO THE FINANCIAL SUPERVISION COMMISSION
FOR A DECLARATION OF DISSOLUTION**

Pursuant to section 11A(2) of the Limited Liability Companies Act 1996

Please complete legibly in black type or bold, block lettering

Name of company:

I/We* _____ (name of applicant)

of _____ (address of applicant)

being the Registered Agent/a Member* of the above company hereby apply for a Declaration of Dissolution in respect of the above company.

I/We* hereby confirm that Notice of this Application has been sent by pre-paid post to the Registered Agent, the Manager (if any) and each Member of the limited liability company in accordance with section 11A(5).

Signed:

Date:

Presented by:

Official use only:

*delete as appropriate

NOTES

- (a) Any change in particulars requiring to be filed with the Financial Supervision Commission, must be delivered to the Commission on the appropriate prescribed form, before this Application will be accepted for registration.
- (b) The filing fee payable prescribed under the Limited Liability Companies (Fees and Duties) Order currently in force must accompany this Application.

Company Number

Form L11A

THE LIMITED LIABILITY COMPANIES ACT 1996

**STATUTORY DECLARATION TO ACCOMPANY AN APPLICATION
FOR A DECLARATION OF DISSOLUTION**

Pursuant to Section 11A(2) of the Limited Liability Companies Act 1996

Please complete legibly in black type or bold, block lettering

Name of company:

I/We* _____ (name of declarant)

of _____ (address of declarant)

being a Manager/Member* of the above company do solemnly and sincerely declare as follows:-

1. The company has ceased to operate; and
2. The company has complied with its obligations under section 10 of the Limited Liability Companies Act 1996; and
3. To the best of my/our knowledge and belief, and having made full enquiry into the affairs of the company, I/We* am/are* satisfied that -
 - (a) the company has discharged all its debts and liabilities (other than Contributions to capital owed to its members); and
 - (b) the particulars contained within the last annual return of the company (or, in the case of a company for which an annual return has not fallen due, the particulars filed on first registration) remain accurate at the date of making this statutory declaration or that they are accurate as amended by the applicant at the date of making this statutory declaration.

And I/We* make this solemn declaration, conscientiously believing the same to be true, and by virtue of the provisions of the Evidence Act 1871.

Declared at:

Signature of Declarant:

Before me:

Date:

<input type="text"/>	<input type="text"/>
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Commissioner of Oaths/Notary Public/Justice of the Peace*

*delete as appropriate

NOTE

The Application on Page 1 must be made by the **Registered Agent or a Member**.
The Statutory Declaration on Page 2 must be made by a **Manager or Member**.