



## All About Company Liquidation Process

### Keywords:

Liquidation Services in Dubai, Best Auditing Firms in Dubai, Accountants & Auditors Dubai, Premier Brains

### Company liquidation

It is a procedure that terminates the existence of an incorporated legal entity. In the UAE, it is also known as winding up a company, closing a company, or cancellation of a firm. All of the company's assets are liquidated, and the revenues are used to pay off debts, cover expenses, and distribute any residual funds to the company's owners.

### Standard Steps & processes for cancelling company License in UAE

#### Step.1 : Passing a board resolution

It starts with passing a board resolution by the Company declaring its intention to liquidate the Company. Required to be notarized/legalized by the Notary Public in the case of Limited Liability companies registered in the UAE.

Further, If shareholders are not physically present in the UAE at the time of passing this resolution this resolution has to be notarised and attested from the UAE embassy of that country. It has to be attested and legalised from the Ministry of Foreign Affairs and Ministry of Justice in UAE.

Note: In many Free Zones liquidations, requirement of attestation from Notary Public is not required but that needs to be confirmed with the respective freezone at the time of passing the board resolution. In this statement of resolution, a liquidator is also appointed.

#### Step.2: Submit standard documents required for Company Liquidation in UAE

There are certain documents to be required to wind up the company. They are as follows:

1. Trade License Copy
2. Memorandum of Association Copy with all the changes
3. Power of Attorney if any
4. Shareholders Resolution
5. Shareholders passport Copy
6. Emirates ID Copy
7. Deregistration Application Form



In certain freezones, there is a need to return the originals back so please check with the respective freezone.

### **Step.3: Submit notification with regulatory authority.**

After submission of above documents with regulatory authority and payment of liquidation initiation fee, an initial certificate for liquidation is issued (this applies in case of Mainland companies in UAE)

Separate notification procedures are followed in case of free zones. It is a documentary evidence from the Authority for the company to proceed with winding up of a company.

When the initial approval for liquidation is obtained, the company can proceed for advertisement in the newspaper.

The notice period for liquidation can vary from one regulatory authority to another like in case of Mainland companies it is 45 days but other freezones this period may vary.

Note: In certain free zones these advertisements are carried by the freezone but in most cases it is the Company responsibility. Normally it is required that one of the advertisements must be in an Arabic newspaper.

### **Step. 4: Activities to be carried out during the Notice Period?**

While you're on a notice period you have to carry out certain activities which are as follows:

1. Cancelling of immigration card and obtaining clearance from Immigration Department
2. Obtaining clearance from Labour Department
3. Obtaining no objection certificate from Electricity and Water Departments
4. Clearance letter from Telecom Authority (DU or Etisalat, etc)
5. Clearance from customs department (for companies carrying trading or manufacturing activities)
6. No dues certificate form Landlord
7. Closing of bank account and obtaining a letter
8. Cancellation of VAT registration (if company in VAT registered)
9. Cancellation of Excise tax registration (if company in Excise tax registered)
10. In case of certain licenses, more clearance certificate can be required based on specifics of those licenses
11. During this period the company should finalize its books of accounts and ensure all assets and liabilities are settled.

### **Step.5: Final Step for Liquidation of company**

Once the notice period is over the following documents are to be submitted along with the above-mentioned documents:



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1. Liquidation report (this is prepared by the liquidator)
2. Copy of Newspaper advertisement

After submission of above documents, the regulatory authority will review and upon approval of the same final payment to the authority has to be done.

Thereafter, the final certificate called License Cancellation Certificate will be issued by the concerned regulatory Authority.

Premier Brains ensure that proper procedures are followed during the liquidation and advise complete guidance and hand holding during the liquidation process.

We understand that liquidation is a difficult decision to make so we ensure liquidations are carried out in the most economical manner with the least level of inconvenience.

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