



Procedure for Liquidation of Company

Introduction

Company liquidation is the legal process of closing a company by settling debts and distributing any remaining assets. It marks the official end of a business entity. This is essential when a business becomes unviable or wishes to exit operations. Proper liquidation ensures legal compliance and avoids future liabilities.



Reasons for Liquidation

There are various reasons a company may choose or be forced to liquidate. These include financial insolvency, shareholder disputes, exit strategy, or regulatory challenges. Understanding the reason helps determine the appropriate type of company liquidation and ensures all legal steps are followed correctly.



Types of Company Liquidation

- Members' Voluntary Liquidation (MVL)
- Creditors' Voluntary Liquidation (CVL)
- Compulsory Liquidation
- Voluntary Strike-Off
- Regulatory or Administrative Liquidation





Pre-Liquidation Requirements

- Pass board and shareholder resolutions
- Prepare final audited accounts
- Notify employees and creditors
- Appoint a registered liquidator
- Inform regulatory authorities

Public Notification Process

After the final report is approved, the licensing authority issues a deregistration certificate, officially confirming that the liquidation of the company is complete. The business is then removed from the commercial register and ceases to exist legally in the UAE. This step finalizes the structured and legally governed Company Liquidation Process in Dubai, ensuring full regulatory compliance and release from future obligations.

Settlement of Liabilities

- Clear all outstanding company debts
- Pay employee salaries and end-of-service
- Settle VAT and corporate tax
- Resolve disputes with creditors
- Follow legal order of priority



Cancellation of Licenses & Visas

After debts are cleared, company licenses and employee visas must be officially canceled. This includes trade licenses, establishment cards, and work permits.

- Cancel trade license with DED/Free Zone
- Cancel visas and labor cards
- Close immigration and MOL files
- Notify bank to close account
- Clear customs and utility records



Company Deregistration & Certificate

After the final report is approved, the authority issues a deregistration certificate. This confirms the liquidation of company is complete. The company is then removed from the official register, and no longer has any legal existence in the UAE.



Conclusion

The company liquidation process in Dubai involves multiple legal, financial, and regulatory steps. Partnering with experienced firms like Premier Auditing and Accounting ensures compliance, accuracy, and peace of mind. Among trusted business liquidation companies, we offer end-to-end support tailored to UAE legal requirements.

Contact



+97142526125



info@premierauditing.com



<https://premierauditing.com>



Hor Al Anz, Deira, Dubai



Thank you