
PRACTICE NOTE

NMVPN9/2021

Date: 18 August 2021

The Companies Act 2006

Dissolving a Solvent Company under Section 190 of the Act

Introduction

NOTE:- This Practice Note is issued by the Department of Enterprise in its capacity as Registrar of Companies under the Companies Act 2006 ("the Act"). All references, unless specifically stated, are to that Act only.

Copies of Acts of Tynwald dealt with by the Companies Registry can be found on the following website administered by the Attorney General: <http://www.legislation.gov.im/cms/index.php>

This practice note sets out the procedure for applying to the Department for a Declaration of Dissolution under Section 190 of the Act.

It is intended as a general guide only and must be read in conjunction with the relevant legislation. It has no legal status and should not be used as a substitute for legal advice.

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1. The Application Form and associated actions

- 1.1 This procedure applies to any company incorporated under the Act **EXCEPT** a company which is in liquidation or where a receiver has been appointed over any of its assets.
- 1.2 An application can be made by the registered agent or a person authorised to act on its behalf, the company or a person authorised to act on its behalf or a member of the company and must be accompanied by a Statutory Declaration made by a director of the company, who need not be the same person as the applicant, that the company has ceased to operate, and, to the best of that person's knowledge and belief, that it has discharged all its debts and liabilities.

- 1.3 Before making an application, the applicant must have sent a notice to each director, the registered agent and each member of the company stating that the applicant proposes to apply for a Declaration of Dissolution, and that, unless written objection is made to us within one month of the date the notice was posted, we shall dissolve the company.
- 1.4 The application to dissolve the company must be made on the prescribed form IM31, which is downloadable from the Department's website www.gov.im/categories/business-and-industries/companies-registry . The Department has prepared a form of Statutory Declaration IM31A for the convenience of applicants.
- 1.5 We will not accept an application for dissolution where (a) an annual return is outstanding for filing or (b) any charge remains outstanding on the public record.
- 1.6 There is a prescribed fee of **£95** payable, which must be paid at the time the application is submitted to us.

2. Duties of the Department on receipt of an application

- 2.1 When the application has been accepted, we will publish in one local newspaper, on our website and in an index available for inspection at our public counter, a notice to the effect that an application has been received. Any person wishing to lodge an objection to the dissolution has one month from the publication date to lodge such objection.
- 2.2 **Applicants are advised that, should any objection be received, no Declaration of Dissolution will be made until either the objection is withdrawn, or the Department decides that the objection is without justification. There is a right of appeal to Court against the latter, and therefore the company will not be dissolved unless the objector has not appealed within the 21 day time limit or the Court upholds the Department's decision.**
- 2.3 If no objection has been received by the end of the period for objections, we will send a letter to the 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 company receives the letter described in paragraph 2.4 above, it must take appropriate action (i.e. seek to distribute any surplus assets) and reply to us that it has either (a) distributed its surplus assets or (b) that it cannot do so and state why.
- 3.2 **If no reply is received, the company will not be dissolved.**
- 3.3 When the reply is received, we will publish in one local newspaper, on our website and in an index available for inspection at our public counter, a notice to the effect that the company is dissolved, and, on publication of that notice, the company is dissolved.
- 3.4 Please be advised that we are no longer providing our courtesy letters confirming the dates of dissolution for Companies that have been dissolved under the 2006 Act. Confirmation of dissolution can be sought by undertaking a Company search on our website.

4. Further information

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@gov.im

Statutory forms and practice notes are available free of charge from the website: www.gov.im/categories/business-and-industries/companies-registry .

A list of licenced TCSP providers is available on the Isle of Man Financial Supervision Authority website at <https://www.iomfsa.im/register-search/>.

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

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