

Dissolution of a British Virgin Islands company

Service area / [Corporate](#)

Location / [British Virgin Islands](#)

Date / [October 2016](#)

When a solvent BVI company's purpose comes to an end, the directors or members of the company will often seek to dissolve the company.

There are two ways to dissolve a solvent company incorporated in the BVI:

- complete the solvent voluntary liquidation process prescribed by the BVI Business Companies Act (as amended) (the "Act") with dissolution occurring immediately thereafter; or
- allow the company to be administratively struck off the register of companies (the "Register") by the BVI Registrar of Corporate Affairs (the "Registrar") with dissolution occurring seven years after the date of strike off.

This article provides a summary on dissolution of a non-regulated solvent company in the BVI

[Dissolution following administrative strike off](#)

The Registrar may strike a company off the Register if the company fails to pay its annual Registry fee (or any late payment penalties), if it does not have a registered agent, or if it fails to file any return, notice or document required to be filed under the Act. The Registrar may also strike a company off the Register if she is satisfied that the company has ceased to carry on business, if it is carrying on business without a

licence, permit or the requisite authority required under BVI law or if the company is regulated under the financial services legislation and has had its licence cancelled or revoked by the BVI Financial Services Commission.

The striking off of a company is effective from the date a notice of strike off is published by the Registrar in the BVI Gazette. Please see the Carey Olsen guide on administrative strike off for more information.

A company that has been administratively struck from the Register is automatically dissolved seven years from the date of strike off, provided that it has not been restored to the Register in the meantime. Where a Company has been struck off the Register but is not yet dissolved, the company or a creditor, member or liquidator can make an application to the Registrar to restore the company to the Register within seven years from the date of strike off. Please see the Carey Olsen guide on restoring a BVI company for more information.

[Dissolution following a solvent voluntary liquidation](#)

A liquidator can be appointed to a solvent BVI company via the solvent voluntary liquidation process set out in the Act. Resolutions are ordinarily passed by the directors and members and a liquidation plan approved. Please see the Carey Olsen guide on solvent voluntary liquidations for full details of the process.

On completion of a solvent voluntary liquidation, the liquidator will file a statement with the Registrar to confirm the liquidation is complete (the "Completion Statement"). Upon receiving the Completion Statement, the Registrar will strike the company off the Register and issue a certificate of dissolution (the "Certificate"). The date of dissolution is the date the Certificate is issued. Immediately upon issue of the Certificate by the Registrar, the liquidator will arrange for a notice of strike off and dissolution in respect of the company to be published in the BVI Gazette.

Despite the additional costs associated with solvent voluntary liquidations, we would advise that to dissolve a company quickly and efficiently, a company be voluntarily liquidated and dissolved. When a company is voluntarily liquidated its assets are dealt with properly and the voluntary liquidator can commence (and defend) legal proceedings in the company's name (if needed). In addition, the company will cease to be liable for any Registry fees and any directors' and members' statutory duties and liabilities will come to an end. The company is dissolved shortly after the liquidation has concluded. Where a company has been dissolved, an application to restore the company to the Register may be made to the Court by a creditor, a former director, a former member or a former liquidator of the company or any person who can show an interest in having the company restored. An application to restore a dissolved company must be made within ten years of the date on which the company was dissolved. Please see the Carey Olsen guide on restoring a BVI company for more information.

Property of a dissolved company

Any property that a company owns at the date of dissolution is transferred into the ownership of the Crown (i.e. the BVI Government). Where a company is restored to the Register, any property situated in the BVI, other than money, that vested in the Crown and that has not been disposed of, must be returned to the company upon its restoration to the Register. The company is entitled to be paid out of the BVI's Consolidated Fund in respect of: (a) any money received by the Crown upon the dissolution of the company; and (b) the value of any property that has been disposed of by the Crown (the value being the lesser of an amount equal to the value of the property at the date it vested in the Crown or, the amount realised by the Crown on the disposition of the property).



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