



# MEMBERS' VOLUNTARY LIQUIDATIONS: SUPPORTING FELLOW PROFESSIONALS

INSOLVENCY



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At Moore, our liquidation experts provide a trusted, discreet and expeditious members' voluntary liquidation ("MVL") service

## WHAT IS AN MVL?

A Members' Voluntary Liquidation is a process whereby a solvent company is liquidated and the liquidation is initiated by the members. It is an effective method for shareholders to dispose of company assets and to restructure organisations in a tax effective manner. MVLs are often used where companies are no longer needed for trading purposes and helps to avoid the associated problems of maintaining a dormant company or having a company struck off. The winding up of solvent companies often forms part of group restructuring procedures. The process also brings finality to the corporate responsibilities of company directors. The procedures applicable to an MVL are governed by Sections 256 to 264 of the Companies Act 1963 in which the operational infrastructure of the liquidation process is set out. In an MVL, the Directors must swear a "Declaration of Solvency" that the company can pay all of its debts within a period of 12 months. Once all liabilities have been discharged, the liquidator distributes the assets of the company to the shareholders. An MVL is the most tax effective manner of distributing assets of a company to its shareholders where the company has ceased to trade. Furthermore, in certain circumstances, a distribution of property in specie can result in a mitigation of stamp duty.

## WHAT IS INVOLVED?

Typically, we break an MVL into 5 key stages:

- **Stage 1 – Procedural issues**  
Make necessary filings with CRO, advertising with Iris Oifigiul and complete other notice requirements.
- **Stage 2 – Asset realisation**  
Liquidate all assets with due cognisance given to in specie distributions.
- **Stage 3 – Creditors**  
Pay creditors as appropriate.
- **Stage 4 – Revenue & taxation review**  
Review all taxes and apply for tax clearance.
- **Stage 5 – Distribution and finalisation**  
Final distribution to shareholders and filing of forms with CRO to formally liquidate the company.

## HOW DO WE RESOURCE MVLs?

MVLs, depending on their nature and scale, will require us to draw on the considerable depth of experience in our team. Typically, our tax specialists are involved. Often our corporate finance experts are required to prepared projections or cashflow analyses. Forensic accounting may also be required to trace assets or to gain an understanding of the underlying business to ensure an expeditious liquidation process. At Moore we have an unrivalled depth of knowledge in insolvency and can offer you a service infused with the full range of skills present in our contemporary and multidisciplinary practice.

## WHAT MAKES US DIFFERENT?

Unlike insolvent liquidations where creditors are involved, a members' voluntary liquidation does not ordinarily involve a distressed business and as such presents a different set of client needs. We feel we are in tune with these needs and have developed a tailored product that meets these contrasting needs, with a focus on efficiency, transparency and outcome.

### Efficiency

An MVL ostensibly should involve willing parties. Therefore, the process should not be unduly time-consuming. At Moore we have streamlined our MVL work procedures to ensure a speedy throughput. We generally like to include specific timeframes in our proposals and ensure that deadlines are met.

### Transparency

We pride ourselves in our transparency. Weekly reports are provided of liquidation progress. This will provide the sponsor with full transparency into our work product. We also provide fixed fee quotations in advance of any engagement.

### Outcome focus

We remain outcome focused throughout the MVL process. We provide creative solutions to any obstacles that may arise.

## CREDENTIALS

We have a fast growing and dynamic insolvency practice. We act for Bank of Ireland, AIB, Ulster Bank, KBC and Danske Bank in receivership roles. We are an approved supplier of receivership services to NAMA. As well as MVLs, we also have had a number of complex High Court Liquidation appointments.



"We have a fast growing and dynamic insolvency practice."

## MOORE GLOBAL NETWORK

We've spent more than 100 years serving clients through our professional services. With more one-to-one support from senior partners than you might be used to, you'll always be working with professionals. Our services will help you navigate new markets effortlessly, and take advantage of every opportunity.

For more information on how our global services and sector expertise can help your business thrive in over 100 countries, just get in touch.

## CONTACT US

Find your nearest member firm at  
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