

Factsheet Liquidation

Reasons for liquidation

- termination of business
- Achievement of the corporate purpose
- Decision of the supreme body
- Closure of the company
- etc

In these steps a liquidation is carried out:

1) Resolution on liquidation:

At the beginning of the liquidation, a dissolution resolution is carried out. In the case of a joint-stock company, the resolution is passed by the general meeting of shareholders (OR Art. 704). In the case of a limited liability company, it is taken by the meeting of shareholders (OR Art. 821 para. 1). A liquidator must be appointed at these meetings.

2) Public notarisation:

The liquidation must be entered in the commercial register. Thus, the resolution must be notarised by a notary public (Art. 736 para. 2 OR), the date of the resolution to dissolve the company, and at least one liquidator. Also, the company name must be supplemented by the words "in liquidation".

3) Call for debts:

Known creditors must be informed directly of the liquidation. Besides, three successive debt notices must be published in the Swiss Official Gazette of Commerce (SOGC). This is intended to reach unknown creditors so that they, too, can file their claims.

4) Liquidation balance sheet:

The liquidator must draw up a liquidation opening balance sheet and a liquidation closing balance sheet. If the liquidation takes longer, interim liquidation balance sheets must be drawn up annually. If the company is subject to audit, all financial statements must be audited.

5) Repayment of debts:

If the obligations are known, they must be covered by the assets. If these are not sufficient, a judge must be informed, who will order the bankruptcy.

6) Cancellation:

One year after the third call for debt, the cancellation can be filed with the Commercial Register (OR Art. 745). A quick liquidation is possible if a licensed audit expert confirms with a report that the premature distribution of assets endangers no interests of third parties. As a result - at additional cost - the blocking period can be reduced to only three months.

7) Obligation to keep records:

There is even more after deletion: The most important business records must be kept securely for ten years (see OR Art. 747).

Further information on the liquidation of a corporation can be found in OR Art. 736 ff. Information on the liquidation of a GmbH can be found in OR Art. 821 ff.t. 821 ff.