

## Company Liquidation in Myanmar

Companies registered in Myanmar can be voluntarily wound up by its shareholders or creditors or compulsorily wound up by a court order. The voluntary winding up is more common and easier than the compulsory winding up. The key legislations governing the company liquidation are the Insolvency Law 2020 and the Insolvency Rules 2020.

### Procedures

The Board of Directors convenes a Board of Directors meeting to pass a resolution to (1) wind up the company, (2) adopt the statutory declaration and the statement of the company's assets and liabilities prepared no longer than 3 weeks before the BoD meeting date and (3) confirm that the company will be able to pay its debts in full within one year from its winding up commencement date.

The shareholders of the company convene a general meeting to pass a special resolution to wind up the company and appoint a person who holds an Insolvency Practitioner Registration Certificate issued by the Registrar of the DICA for and on behalf of the Myanmar Insolvency Practitioners' Regulatory Council as the liquidator of the company to handle the company's affairs and distribute the company's assets during the liquidation period until the liquidation is completed.

The liquidator files the statutory declaration and the liquidator appointment notice with the Registrar of the DICA within 2 days from his/her appointment date.

The liquidator has the winding up notice announced in a daily newspaper in Myanmar within 5 business days from the notice date and sends the notice to all the creditors of the company together with Form-11 (Proof of Debt or Claim) for them to claim for payment of debts.

### Consequences

After the appointment of the liquidator, the authorization of the company directors is transferred to the liquidator. The corporate status and powers of the company continue to exist until the liquidation is completed. The company, however, must cease all its business activities except for those required and necessary for its winding up.

During the liquidation period, nobody can take legal action, court proceeding or arbitration proceeding against the company in liquidation or its property except for those allowed under a court order.

### Completion

The company liquidation must be completed within one year from its commencement date. If the liquidation cannot be completed within one year, the liquidator must submit an annual report with the Registrar annually until the liquidation is completed.

After the liquidation is completed, the liquidator must prepare a liquidation account showing how the liquidation has been conducted and how the company's property has been disposed of, and then call a general meeting of the shareholders and submit the liquidation account and an explanation of the account to the general meeting.

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The liquidator must submit a copy of the liquidation account, the minutes of the general meeting and other required documents to the Registrar within one week after the general meeting date.

The Registrar must register the liquidation documents immediately upon their receipt and register the completion of the company liquidation 3 months from the liquidation documents registration date.

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