

Voluntarily Dissolving an Unlimited Liability Company

Thank you for your request on how to dissolve a company under section 316 (see attached Appendix A) of the *Business Corporations Act*.

STEP 1: COMPLETE AN AFFIDAVIT

To dissolve a company, the company must first comply with section 316 of the *Business Corporations Act*.

Note: Shareholders and former shareholders are jointly and severally liable, after the company's dissolution, for payment to the company's creditors of the unlimited liability company's debts and liabilities. Refer to section 51.3(1) and (2) of the Act.

These sections, as well as section 344(2), are included in Appendix A for your reference.

The first step will be to complete and deposit in the company's records office an affidavit sworn by a director of the company. See Appendix A section 316(1)(a) for information and Appendix B for a sample affidavit.

STEP 2: FILE ANY OUTSTANDING ANNUAL REPORTS

The company must be in good standing as at the date the Dissolution Request is filed. Good standing means the company has complied with section 51 of the *Business Corporations Act* and is up to date with annual report filings.

To file any outstanding annual reports, logon to www.corporateonline.gov.bc.ca. The Corporate Online site includes online help information to assist you with filing online. Visit www.corporateonline.gov.bc.ca and complete your filing using a credit card OR for BC OnLine customers, file using your BC OnLine account.

If you prefer to file by mail, visit bcregistry.gov.bc.ca/filing for your service options. Please note that Service BC does not provide legal or financial advice.

STEP 3: FILE A DISSOLUTION REQUEST

Once the company is in good standing, the next step in the process is to file an Dissolution Request with the Corporate Registry. The Dissolution Request must be submitted electronically over the Internet by visiting Corporate Online at www.corporateonline.gov.bc.ca and completing your filing using a credit card or, for BC OnLine customers,

file using your BC OnLine account. The Corporate Online site includes online help information to assist you with completing and filing the online application form.

Note: You will be asked to enter the company password at the start of the Dissolution Request transaction. Please make sure you have the password before you begin.

Note: It is recommended that you complete the attached paper version of the Dissolution Request first and use it for reference when you electronically file the request.

If you are not able to file electronically, you may prepare the forms on paper and, once the forms are completed, visit bcregistry.gov.bc.ca/filing for your service options. Please note that Service BC does not provide legal or financial advice.

STEP 4: RECEIVE CONFIRMATION

Once the Dissolution Request has been filed using Corporate Online, the registrar will provide confirmation of the dissolution of the company by issuing and providing a copy of the certificate of dissolution to the person shown in the application as having custody of the "dissolved company records", as well as to the "person submitting the application" on behalf of the company. The registrar will also publish notice of the dissolution on the King's Printer website, www.bclaws.ca.

FEES

The fee to file an Dissolution Request using Corporate Online is \$20.00, and a BC OnLine service fee of \$1.50. You will need a valid credit card and you will be asked to enter the credit card information at the end of the transaction.

Note: Should you choose to have a future effective filing date for the dissolution, the fee to file a Dissolution Request using Corporate Online is \$120.00, and a BC OnLine service fee of \$1.50.

If you are filing with paper forms, visit bcregistry.gov.bc.ca/filing for your service options. Please note that lawyers and registry agents may charge additional fees.

ADDITIONAL INFORMATION

For questions about connecting to Corporate Online to file electronically over the Internet, contact the BC OnLine help desk at 1 800 663-6102. Internet terminals are located at most Service BC Centre offices, libraries and at Internet cafes. The Corporate Online system is available for online filing from 6:00 a.m. to 10:00 p.m. Monday through Saturday and from 1:00 p.m. to 10:00 p.m. on Sunday, including statutory holidays. Note that due to system maintenance, the Sunday opening at 1:00 p.m. is not guaranteed, although every effort will be made to ensure the system is available at that time.

For information regarding completion of your documentation, contact the Corporate Registry at 1 877 526-1526. Corporate Registry staff cannot provide legal or business advice.

BUSINESS CORPORATIONS ACT (SBC 2002) Chapter 57

Part 2.1 – Unlimited Liability Companies

Section 51.3(1) and (2) – Liability of shareholders of unlimited liability companies

Part 10 – Liquidation, Dissolution and Restoration

Division 2 – Voluntary Dissolution Without Liquidation

Section 314 – Authorization for voluntary dissolution

Section 316 – Application for voluntary dissolution

Division 8 – Effect of Dissolution

Section 344 (2) – Effect of dissolution

Liability of shareholders of unlimited liability companies

- 51.3** (1) Subject to subsection (2), shareholders and former shareholders of an unlimited liability company are jointly and severally liable as follows:
- (a) if the company liquidates, the shareholders and former shareholders are jointly and severally liable, from the commencement of the company's liquidation to its dissolution, to contribute to the assets of the company for the payment of the unlimited liability company's debts and liabilities;
 - (b) whether or not the company liquidates, the shareholders and former shareholders are jointly and severally liable, after the company's dissolution, for payment to the company's creditors of the unlimited liability company's debts and liabilities.
- (2) A former shareholder of an unlimited liability company is not liable under subsection (1) unless it appears to the court that the shareholders of the unlimited liability company are unable to satisfy the debts and liabilities referred to in subsection (1), and, even in that case, is not liable under subsection (1)
- (a) in respect of any debt or liability of the unlimited liability company that arose after the former shareholder ceased to be a shareholder of the unlimited liability company,
 - (b) in a liquidation of the company, if the former shareholder ceased to be a shareholder of the unlimited liability company one year or more before the commencement of liquidation, or
 - (c) on or after a dissolution of the company effected without liquidation, if the former shareholder ceased to be a shareholder of the unlimited liability company one year or more before the date of dissolution.

Authorization for voluntary dissolution

- 314** (1) A company may apply to be dissolved under this Division if
- (a) it is authorized to do so by an ordinary resolution,
 - (b) it has no assets, and
 - (c) it
 - (i) has no liabilities, as a result of section 315 (6) or otherwise, or
 - (ii) has made adequate provision for the payment of each of its liabilities.
- (2) Despite subsection (1) (a) of this section, a company referred to in subsection (1) (b) and (c) that has not issued any shares may apply to be dissolved under this Division if it is authorized to do so by a directors' resolution

Application for voluntary dissolution

- 316** (1) In order to apply for dissolution under this Division, a company must
- (a) obtain and deposit in its records office an affidavit that is sworn by a director of the company and that complies with subsection (2), and
 - (b) file with the registrar an application for dissolution in the form established by the registrar containing a statement that the affidavit required under paragraph (a) of this subsection has been obtained and deposited in the company's records office.
- (2) An affidavit referred to in subsection (1) (a) must state
- (a) that the company's dissolution has been duly authorized in accordance with section 314 (1) (a) or (2), as the case may be,
 - (b) that the company has no assets, and
 - (c) that the company
 - (i) has no liabilities, as a result of section 315 (6) or otherwise, or
 - (ii) has made adequate provision for the payment of each of its liabilities.

Effect of dissolution

- 344** (2) If, when a company is dissolved, the company has an asset that has not yet been distributed, the asset vests in the government unless
- (a) the asset is one in which the company is a joint tenant, in which case the asset vests in the other joint tenant on dissolution, or
 - (b) the asset is land located in British Columbia, in which case the asset is, subject to paragraph (a) of this subsection, deemed to escheat to the government under section 4 of the *Escheat Act*.

This is an unofficial excerpt from the *Business Corporations Act* and is enclosed for ease of reference only. For complete information, refer to the *Business Corporations Act*. Acts and regulations are available for purchase through Crown Publications at www.crownpub.bc.ca.

SAMPLE

Sample of an affidavit sworn by a director typed on plain white paper

**IN THE MATTER OF
[insert full company name]
AND THE BRITISH COLUMBIA BUSINESS
CORPORATIONS ACT, SECTION 316**

AFFIDAVIT

I, **[insert name of director]** of **[insert full residential address]** in the Province of British Columbia, make oath and say as follows:

1. I, **[insert name of director]**, declare that I am a director of **[insert full company name]** (the “company”) and have personal knowledge of the matters hereinafter set forth.
 - (a) the company’s dissolution has been duly authorized in accordance with section 314 (1) (a) or (2) as the case may be,
 - (b) that the company has no assets, and
 - (c) that the company
 - (i) **[insert the application statement describing the company’s liabilities:
“has no liabilities, as a result of section 315 (6) or otherwise.”**

- OR -

“has made adequate provision for the payment of each of its liabilities.”

Note: if a statement is made other than those mentioned above, it is recommended you seek legal advice before proceeding.

SWORN BEFORE ME at the City of **[city]**,
in the Province of British Columbia, on
[insert date].

[signature of Commissioner]

A Commissioner for taking Affidavits for
British Columbia

[signature of director]

[name of director]
Director



Telephone: 1 877 526-1526 www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt Victoria BC V8W 9V3

Courier Address: 200 - 940 Blanshard Street Victoria BC V8W 3E6

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the Business Corporations Act requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Corporations Act for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

Under section 51.3(1) of the Business Corporations Act, shareholders and former shareholders are jointly and severally liable, after the company's dissolution, for payment to the company's creditors of the unlimited liability company's debts and liabilities.

Under section 51.3(2) of the Business Corporations Act, a former shareholder of an unlimited liability company is not liable above unless it appears to the court that the shareholders of the unlimited liability company are unable to satisfy the debts and liabilities referred to above, and, even in that case, is not liable above:

- in respect of any debt or liability of the unlimited liability company that arose after the former shareholder ceased to be a shareholder of the unlimited liability company, or
on or after a dissolution of the company effected without liquidation, if the former shareholder ceased to be a shareholder of the unlimited liability company one year or more before the date of dissolution.

A INCORPORATION NUMBER OF COMPANY TO BE DISSOLVED

B NAME OF COMPANY TO BE DISSOLVED

C DISSOLUTION EFFECTIVE DATE - Choose one of the following:

- The dissolution is to take effect at the time that this application is filed with the registrar.
The dissolution is to take effect at 12:01a.m. Pacific Time on YYYY / MM / DD being a date that is not more than ten days after the date of the filing of this application.
The dissolution is to take effect at a.m. or p.m. Pacific Time on YYYY / MM / DD being a date and time that is not more than ten days after the date of the filing of this application.

D FULL NAME OF PERSON SUBMITTING THE APPLICATION

LAST NAME FIRST NAME MIDDLE NAME

CORPORATION OR FIRM NAME

E MAILING ADDRESS OF PERSON SUBMITTING THE APPLICATION

PROVINCE POSTAL CODE

F FULL NAME OF PERSON WHO WILL HAVE CUSTODY OF THE "DISSOLVED COMPANY'S RECORDS"

LAST NAME

FIRST NAME

MIDDLE NAME

CORPORATION OR FIRM NAME

G ADDRESSES OF LOCATION OF "DISSOLVED COMPANY'S RECORDS"

DELIVERY ADDRESS OF LOCATION OF "DISSOLVED COMPANY'S RECORDS"

PROVINCE

POSTAL CODE

BC

MAILING ADDRESS OF LOCATION OF "DISSOLVED COMPANY'S RECORDS"

PROVINCE

POSTAL CODE

BC

H CERTIFIED CORRECT – I have read this form and found it to be correct.

I also confirm that the affidavit required by section 316(1)(a) of the *Business Corporations Act* has been obtained and deposited in the company's records office.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE COMPANY

SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE COMPANY

DATE SIGNED

YYYYMMDD

X