



Liquidation Services in Oman

BDO in Oman
Audit | Tax | Advisory
www.bdo.com.om



BDO LLC, an Omani registered limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent member firms. Accountants and Auditors License No. SMH/13/2015, Financial Advisory License No. SMA/69/2015, Commercial Registration No. 1222681

BDO is the brand name for the BDO International network and for each of the BDO Member Firms.

LIQUIDATION PROCESS IS RELEVANT TO WHOM?

- Juristic person i.e. a Limited Liability Company (LLC), Sole Proprietorship, Single Person Company, Closely held Joint Stock Company (S.A.O.C.), Publicly held Joint Stock Company (S.A.O.G) and similar; and
- Branch of a foreign company registered with Ministry of Commerce and Industry (MOCI);

WHY TO LIQUIDATE?

From the economic, commercial and financial perspective, here are several reasons for voluntary liquidation:

- Failure to carry out company's activity/accomplish its objective from the date of its establishment;
- Bankruptcy of the company;
- Incurring excessive expenditure while trying to build-up a business thereby leading to financial loss in future;
- Inadequate resources to cover the costs of making a business viable;
- Bad financial and operational management;
- Unable to survive in the competitive market;
- Achieving the objectives for which the company was formed; and
- In case of a foreign Branch registered with MOCI, upon completion of a contract allotted by the Government of Oman.

LIQUIDATION SERVICES RENDERED IN OMAN

We deliver a set of tailored services at every stage of the liquidation process.



PRACTICAL CHALLENGES DURING LIQUIDATION PROCESS

Although the liquidation process is carried out in accordance with the Commercial Companies Law of Oman, however, there are several practical challenges involved while completing the liquidating process; this includes the following:

- obtaining NOC from a bank, in case the CR is mortgaged;
- change in formats of certain documents prescribed by the Ministry;
- change in process for payment of government fees;
- requirements for having the documents required by the Ministries in Arabic, and therefore the necessity to have Arabic language skills;
- change in process for cancellation of visa for expat employees and for striking-off the name of the local employees from PASI records etc.

We, at BDO, have enough relevant experience in dealing with those practical challenges and ensuring the smooth flow of the end-to-end liquidation process.

HOW WE CAN HELP?

We can act as Official Liquidators of companies in accordance with the Oman Commercial Companies Law 2019, to support the companies by providing most appropriate advice to determine the best solutions depending on the company's needs and objectives viz. timing, cost assessment and risk assessment.

Understanding the scope of our interference

Reviewing assets, liabilities and commitments

- Analyse issues pertaining to:
 - Accounts receivables;
 - Dues from shareholders;
 - Fixed assets worth;
 - Staff dues and their lay-off plan;
 - Dues to secured and unsecured creditors;
 - Tax assessment, objection and appeal.
- Circulate notice to the debtors and creditors notifying liquidation;
- Estimate liquidation costs.

Drawing up liquidation plan

- Prepare liquidation timetable;
- Assess possibility of receiving any amount from the shareholders for initiating liquidation process.

Managing liquidation

Acting as an Official Liquidator

- Assisting in preparing the announcement for the liquidation and its publication in the Official Gazette;
- Prepare corporate documentation;
- Publication of initial liquidation notice in Official Gazette;
- Disposal of fixed assets;
- Collect the money from accounts receivables;
- Payment to staff and government against their dues;
- Payment to creditors;
- Liaison with banks, lawyers, courts, Ministry of Manpower (MOM), PASI, Tax Authority (TA) and Ministry of Commerce and Industry (MOCI);
- Prepare interim and final liquidator's report;
- Prepare statement of financial performance and financial position on completing liquidation and appoint an auditor to audit the statements for approval of the shareholders.

Final closure & Payout

Deregistration of CR

- Circulate final liquidator's report for the shareholders' approval;
- Publication of final liquidation notice in the Official Gazette;
- Deregistration from MOCI and TA;
- Closure of bank accounts and final distribution to shareholders.



CONTACT US

BIPIN KAPUR

Managing Partner

E: bipin.kapur@bdo.com.om

ASHISH ATHAVALE

Tax Partner

E: ashish.athavale@bdo.com.om

BDO LLC

Suite No. 601 & 602, Pent House,
Beach One Building, Way No.2601
Shatti Al Qurum, PO Box 1176, Ruwi 112,
Muscat, Sultanate of Oman
Tel: +968 24955100 | Fax: +968 24649030

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO Oman to discuss these matters in the context of your particular circumstances. BDO Oman, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO LLC, is a member of BDO International Limited, a UK Company Limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the International BDO network and for each of the BDO Member Firms.