

Liquidations

My company is in liquidation, what does the Revenue Service Need?

Every company must complete and submit Form 709 when it goes into liquidation. If the company has previously ticked Certificate 2 or 3 and isn't subject to substance, then it doesn't need to provide financial statements in respect of the year in which the company is liquidated (i.e. from 1 January to the date of liquidation). However, a corporate return (and financial statements for Certificate 3 companies) will be required for the year prior to liquidation, if it's still outstanding. If the liquidation continues for more than a year, a return (and financial statements, if applicable) will be required for each year the liquidation is ongoing.

All Certificate 1 companies, or any that are subject to the Economic Substance requirements (no matter what certificate they are), will be required to submit a copy of the accounts and tax computations up to the date of liquidation, and any outstanding corporate tax returns. If the liquidation goes on for more than a year, then annual corporate returns, accounts and computations are required.

A liquidator would normally prepare basic statements, comprising of opening and closing balances, and receipts and payments during the year. Would this liquidator financial report be sufficient if a liquidation was ongoing over a financial year end and a tax return became due?

The basic statements and liquidators report would be ok. However if the case carries out a relevant activity that's subject to the Economic Substance requirements, it will need to demonstrate that the substance criteria has been met. If that isn't provided, then further queries may be raised.

My company was deemed to be non-resident, but the liquidators are in Guernsey. Does this change the corporate residence?

Yes. This would then make the company centrally managed and controlled in Guernsey, and the company would need to file annual returns to the Revenue Service.

Voluntary Strike offs

My company was previously a “Certificate 3” entity, but is going into voluntary strike off in 2020. It has done a corporate return for 2019 and provided full financial statements. What do I need to provide to the Revenue Service for the year of strike off?

The company should provide financial statements and tax computations up until the proposed date of strike off. If this isn't possible, for example because the company has no funds with which to prepare accounts, then it needs to provide a letter stating that the provisions of Certificate 3 continue to apply for the year of strike off. Also, confirmation as to whether it carried on a relevant activity that was subject to the Economic Substance requirements will need to be provided and, if so, it will need to demonstrate that the substance criteria had been met.

If my company applies for voluntary strike off, say, early 2022 and has submitted the 2021 return does it still need to submit a letter and financial statements if it's already told the Guernsey Registry there has been no activity for more than 3 months prior to being listed for voluntary strike off?

If the company has applied for strike off within 3 months of the Guernsey income tax year end, i.e. 31st December, and has confirmed to the Registry that there was no activity during that period, then no further information will be required, (unless there are queries in relation to the submitted accounts for the prior year).