ABU

17 Skakovaya St., bldg. 2
Moscow, Russia, 125040
Tel.: +7 (495) 995-52-61
www.abuas.ru/en

Business centre “Tempo”
104 Nevsky avenue, lit. A
St Petersburg, Russia, 191025
Tel.: +7 (812) 385-26-65

Voluntary Liquidation of the Local Legal Entity in Russia

Registered in the Form of a Limited Liability Company (LLC)

Liquidation of LLC in Russia is a complex process and consists of legal, accounting and tax compliance aspects. The procedure might take from four to eight months and sometimes more depending on presence of debts, including the ones due to tax authorities and social funds. The liquidation could also cause a filed tax audit.

The process of liquidation includes a sequence of predetermined steps.

IMPORTANT TO KNOW

STAFF DISMISSAL

- Employees must be notified about the liquidation at least two months before the dismissal
- LLC as the employer should notify the staff in personified manner under the written acknowledgement

LIQUIDATOR

- It is mandatory to appoint a Liquidator who is personally responsible for LLC until the liquidation process has ended
- Actually the Liquidator replaces the CEO (General Director) and acquires the same liability as the ex-General Director of the LLC
- The Liquidator should be permanently available till the end of liquidation process as a signatory and may be required to present the LLC in front of the state supervising authorities even without any prior notice

REPORTING STATUTORY OBLIGATIONS

- Absence of operational activity within the liquidation period or the status of liquidation as such does not release LLC from obligations related to statutory reporting
- Statutory reporting should be submitted to the local authorities in full on a quarterly basis up to the moment of de-registration

LIQUIDATION SCHEDULE

#	Liquidation phases	Estimated time	ABU Services
1	Adoption of the resolution on liquidation of the LLC and appointment of the liquidator	Approx. 1-1,5 weeks provided that the shareholders execute and legalize the resolution (if required) and provide ABU with the original document within the above-mentioned term	• Drafting the resolution of shareholders meeting, arranging for translation and notarization (if required) • Drafting the agreement with the liquidator
2	Notification of the tax authority about the adoption of the resolution on liquidation (should be done in three working days from the date of resolution)	5 working days after the documents were submitted to the tax office	• Drafting the required registration forms • Arranging for the forms to be notarized & filed with the tax office under Power of Attorney
3	Publication of the notification on liquidation in mass media, informing creditors about the liquidation and obtaining the debit arrears, if any	At least 2 calendar months from the commencement of the liquidation process	• Drafting required publication in the mass media, fee payment for publication • Drafting and sending the required notifications to the creditors
4	Staff dismissal (if required)	Employees must be notified at least two months before the dismissal	• Preparation of all the required documents
5	Reconciliation and settlements with the state authorities and third parties	Approximately 3 months	• Communication with the state authorities (tax, funds) • Reconciliation of balances with creditors and debtors
6	Preparation of the interim liquidation balance sheet and its approval by the company respective body	2 working days (in case all required information is in place and no additional actions are required)	• Drafting the interim liquidation balance sheet • Drafting the resolution of shareholders meeting on approval of the interim liquidation balance sheet, translation and notarization (if required)
7	Notification of the tax authorities re. adoption of the interim liquidation balance sheet	5 working days after the documents have been submitted to the tax office	• Drafting the respective registration form • Submitting documents to the tax office under the Power of Attorney
8	Inventory and disposal of property (if any)	Approximately 1 month	
9	Preparation of the final liquidation balance and its approval by the shareholder(s)	2 working days (in case all the required information is in place and no additional actions are required)	• Drafting the final liquidation balance sheet • Drafting the resolution of the shareholders meeting on approval of the final liquidation balance sheet, translation and notarization • Receipt of a document confirming the submission of the necessary information to the territorial body of the Pension Fund of the Russian Federation

#	Liquidation phases	Estimated time	ABU Services
10	Closing all the bank accounts (once the tax audit is completed and all required payments are settled)	10-15 working days	• Drafting the required applications • Submitting the documents to the bank
11	Notification of the state registration authority about the completion of the liquidation process	5 working days after the documents have been submitted to the tax office	• Drafting and notarizing the liquidation form • Paying the state duty • Signing and submitting documents to the tax office • Receiving liquidation certificate
12	Strike off the register in the Social Fund of Russia	1-2 weeks	• Obtaining of deregistration certificate under the Power of Attorney
13	Filing the documents of the company to the state record-keeping office and destroying the seal	3-5 working days	• Destroying the seal, drafting and signing relevant application • Communicating with the state record-keeping office • Submitting the documents to the record-keeping office

* Please note that the presented schedule is of general nature and subject to variation depending on each particular case.
ABU can provide the full scope of services on the liquidation process, including provision of the liquidator.

Our Team of Experts

Svetlana Vesnina
Managing Partner

Alexey Kokorev
Head of Accounting Services

Igor Sorokin
Head of Legal Compliance

Contact us

Moscow office

17 Skakovaya St., bldg. 2, 7th fl.
Moscow, Russia, 125040
Tel.: +7 (495) 995-52-61
e-mail: info@abuas.ru

St Petersburg office

Business centre “Tempo”
104 Nevsky avenue, lit. A
St Petersburg, Russia, 191025
Tel.: +7 (812) 385-26-65
e-mail: info@abuas.ru