

Liquidation and Dissolution of a Private Limited Company: Legal Procedural Requirements

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Sections 1247 through 1273 of the Civil and Commercial Code of Thailand are the applicable provisions in the event of voluntary liquidation and dissolution of a private limited company in Thailand by its shareholders. In accordance with the provisions, the company shall proceed in the following order.

1. Hold a Board of Directors' meeting to adopt and approve the proposed liquidation of the company and to fix the dates for two separate General Meetings of the shareholders to consider the issue. Any of the directors or a person authorized by the directors may issue notices calling for such shareholders' meetings, unless required otherwise by the Articles of Association of the company.
2. Hold the first General Meeting of the shareholders to adopt a special resolution to liquidate and dissolve the company. A liquidator and an auditor shall be appointed by the meeting for such purpose.
3. Hold the second General Meeting of the shareholders to confirm the special resolution adopted in the first meeting. The second meeting must be held not less than fourteen days and not more than six weeks from the date of the first meeting, unless a longer notice period is required by the Articles of Association of the company.
4. Place two successive advertisements in a local newspaper announcing the liquidation of the company to alert creditors (if any) so they can make a claim for debts owed to them by the company.
5. Send to all creditors a letter by registered mail requesting them to file a claim for debts owed to them by the company.
6. File the relevant application documents together with copies of the special resolutions with the Company and Partnership Registration Office, Commercial Registration Department, Ministry of Commerce, within fourteen days from the date of the second shareholders' meeting.

7. The appointed auditor must prepare and certify the financial statements (Balance Sheet and Accounts) as of the date of dissolution. The date of such financial statements must be the date of the second shareholders' meeting (i.e., the confirming meeting).
8. Hold a shareholders' meeting to approve the financial statements for submission to the Ministry of Commerce.
9. Submit a report of the liquidator every three months to the Ministry of Commerce. This obligation shall continue until completion of the liquidation process.
10. Once the liquidator has cleared the assets and liabilities and has called on debtors for payment of debts to the company, the liquidator must call a final meeting of the shareholders to approve the final liquidation of the company. The minutes of the meeting shall be submitted to the Ministry of Commerce within fourteen days from the date of the meeting.
11. Submit application to the Thai Revenue Department for liquidation of the company and return the original Value Added Tax Certificate and original Tax Identification Card in the name of the company.
12. Once the Revenue Department grants approval, the liquidator shall notify and submit a copy of such approval to the Ministry of Commerce in order to obtain final approval from the Ministry.
13. The liquidator has the duty to deposit all the company's books of accounts with the Registrar's office, where they shall be kept for ten years counting from the date of final approval of the liquidation. (In practice, the Ministry does not keep the books of accounts. Instead, it asks the liquidator to keep the books and notify the Registrar of such fact by letter.)

The liquidation process takes approximately one to two years to complete, depending on the number of years the company had been in operation and whether its books were properly maintained and tax returns filed as required by law.