



Winding-up in Scotland - what the company must do

Contact us now

If the company does not pay, or contact us within seven days about settling its debt, we will start the legal process immediately.

You should contact the officer named in the covering letter immediately.

What the company should do

If payment cannot be made immediately, you need to tell us. The company may wish to seek advice on ways of raising the money to settle its tax debt.

What happens next

If you do not contact us we will immediately lodge a petition in the court seeking to have the company wound up.

Shortly after filing, a copy of the petition is served on the company at its Registered Office. The law requires that it is advertised in the Edinburgh Gazette no less than seven days after service of the petition. As a result of this, the company's bank account may be immediately frozen.

The company should consider taking independent legal advice or seek permission from the Court if it wants to be represented by an employee.

What winding-up a company means

The company will go into liquidation. A liquidator will be appointed to wind up its affairs. The liquidator's main aim will be to realise the company's assets, meet the expenses of liquidation and pay its creditors.

The company will then be dissolved and struck off the Register of Companies. Any money left will go to the shareholders.

The consequences of winding-up a company

Following a winding-up order all trade must cease.

The company director(s) will be required to attend the liquidator's office to

- hand over the company's books and records
- provide full details of the company's finances, assets and creditors
- explain the reasons why the business failed.

HM Revenue & Customs will request that the liquidator investigate instances where the company has

- deliberately withheld payments to the Crown
- failed to operate a PAYE scheme
- participated in wrongful trading
- reused the company name
- made transactions at undervalue.

How to pay

You can pay

- by debit card - see the payslip attached to the covering letter for details
- by bank giro - at any branch of your bank, by cash or cheque
- by telephone banking (BACS and CHAPS) - ask us for details
- over the internet - at www.hmrc.gov.uk/howtopay/menu.htm

Getting advice

You can get independent advice from

- a licensed insolvency practitioner, who can discuss options such as a voluntary arrangement if your business is viable, but is suffering short term difficulties
- a solicitor, who can provide you with legal advice
- a Citizen's Advice Bureau (CAB) or a Law Centre, who may be able to offer you free advice. If you would prefer, they can contact us to discuss matters on your behalf. A letter of authority allowing us to discuss your case is required. Local CAB offices are in *The Phone Book* or visit www.cas.org.uk
- a qualified tax adviser, who can help if you have not submitted tax returns.

These notes describe in general terms what is likely to happen. If you would like more details, please contact the HM Revenue & Customs office shown on the covering letter.

This could result in the directors being disqualified from running a company for a period of between 2 and 15 years.

If directors have traded with the same or similar company name without the court's permission, all debts incurred may become their personal liability.

HM Revenue & Customs commitment

We aim to provide a high quality service with guidance that is simple, clear and accurate.

We will

- be professional and helpful
- act with integrity and fairness, and
- treat your affairs in strict confidence within the law.

We aim to handle your affairs promptly and accurately so that you receive or pay only the right amount due.

Putting things right

If you are not satisfied with our service, please let the person dealing with your affairs know what is wrong. We will work as quickly as possible to put things right and settle your complaint.

If you are still unhappy, ask for your complaint to be referred to the Complaints Manager.

Customers with particular needs

We offer a range of facilities for customers with particular needs, including

- wheelchair access to nearly all HMRC Enquiry Centres
- help with filling in forms
- for people with hearing difficulties
 - BT Typetalk
 - induction loops.

We can also arrange additional support, such as

- home visits, if you have limited mobility or caring responsibilities and cannot get to one of our Enquiry Centres
- services of an interpreter
- sign language interpretation
- leaflets in large print, Braille and audio.

For complete details please

- go online at www.hmrc.gov.uk/enq or
- contact us. You will find us in *The Phone Book* under HM Revenue & Customs.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any right of appeal.

Issued by

HM Revenue & Customs
Customer Information Team

November 2007 © Crown Copyright 2007
MMN 5009706