

PROCEDURE FOR THE DISSOLUTION COMPANIES UNDER THE PERUVIAN LAWS

Under Peruvian laws, companies incorporated in the country are governed by the provisions of the General Corporation Law, as well as the statutory provisions regulating them.

Corporation Law provides that companies incorporated in the country, regardless of their class, can be dissolved completely by resolution of the Shareholders Meeting, without requiring the existence of a legal cause or statutory dissolution of the company.

Therefore, the General Manager of the company shall call for a Shareholders Meeting, by publishing in the official newspaper and in one of the other main newspapers in the city the corresponding notice. Said notice shall indicate the place, date and time of the meeting, and of a second meeting in case the first does not meet the quorum required by corporate by-laws. Such notice must be published three days in advance of the meeting.

After the publications are made, the Shareholders Meeting will take place on the date called in the notice, once the quorum provided in the by-laws of the company has been met and verified by the president of the meeting. Therefore to hold a valid meeting it is required in the first call the assistance of shareholders representing at least 66% of the issued and outstanding shares of the company and, in case of a second call, the assistance of shareholders representing 60% of the issued and outstanding shares of the company unless their bylaws sets more quantity of votes.

Moreover the by-laws of the company provides that for the validity of the resolutions adopted by the meeting, in both on first and second call, it will be required that at least the majority of the shareholders present in the meeting vote in favor of the motion to dissolve and liquidate the company.

In case the Shareholders meeting resolve for the liquidation of the company, it will be required to appoint the persons or entity that will act as liquidator, unless the by-laws provides such designation, giving them the necessary powers to affect the changes.

After adopting the dissolution and liquidation of the company and the liquidators are appointed, a publication notice of the liquidation resolution shall be made within thirty days of the resolution being made in three consecutive issues of the official newspaper and in another the main newspapers in the local city before its registration in the Public Registry.

Once the dissolution of the company is registered in the Public Registry, the liquidation period will start and the company will keep its original corporate name, having to add the phrase “in liquidation”.

Once the liquidation procedure is initiated, the liquidators shall make an inventory and balance statements together with the managers of the company to start its functions and it will be responsible for the custody of the book, records and correspondence of the company. Liquidators shall also ensure the integrity of the assets of the company, perform the pending operation to liquidate the company, sell company assets, collect loans and unpaid capital, enter into transactions and commitments when it is in the interests of the shareholders, pay creditors, including obligations to fiscal matters that were pending up to the date of the liquidation resolution, to represent the company to fulfill the purposes of liquidation and call for the corresponding Shareholders meetings.

After satisfying the debts of the company or having entered the amount of the claims, the liquidators must call for a Shareholders Meeting in accordance with the requirements and procedure above mentioned. At the meeting, the final audited financial statements are submitted for the approval of the shareholders, and in case of existence of remaining assets, they shall be distributed among the shareholders. If case the assets are not sufficient to pay all debts, the company shall file for bankruptcy court procedure.

Upon approval of the final balance statements by the shareholders meeting, it shall be published once in the official newspaper and in one of the other main newspapers of the city. Under the General Corporation Law, the balance statement is subject to be challenged within 60 days by any of its creditors. After said period, the liquidators shall file for the closing and extinguishment of the company before the Public Registry incorporating a certified copy of the final balance, the status of all debts, the proposed asset distribution including all books and documents of the company which will be stored for a period of not less than five years by the custody appointed by the shareholders in the meeting.

Finally, once the liquidation is completed all licenses must be terminated and all relevant information forwarded to Tax Administrative Authority and Social Security.

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