

Liquidation

The members of a society can place the society into liquidation. Alternatively the High Court on an application from a creditor, society or member can make an order placing a society into liquidation.

A list of experienced liquidators can be found in the [Yellow Pages](#) under '**Insolvency & Liquidation**'.

The steps required for each option are set out below:

Members

If the members of the society decide that the society has achieved its purpose (as set out in the rules) or that they no longer want to continue with operating the society, they can put the society in liquidation using the following process.

When the society passes the resolution to put the society into liquidation, it must follow the procedures set out in its rules for calling meetings and making changes to its rules.

Step 1 | The members of the society pass a resolution at a general meeting of the society appointing a liquidator. Note that at this stage the liquidator is not yet officially appointed.

Step 2 | The resolution passed at Step 1 appointing a liquidator is confirmed at a second general meeting. The second meeting must be called for that purpose and be held not less than 30 days after the first meeting.

Step 3 | A liquidator (or liquidators) will then be appointed by the society and the liquidation will commence.

The High Court

The Registrar, a member of the society or a creditor of a society may apply to the High Court to have a society put into liquidation. An application can be made in one or more of the following circumstances:

- The society has suspended its operations for the period of a year
- The number of members has fallen below 15
- The society is unable to pay its debts
- The society carries on operation from which members make pecuniary gain
- Any other circumstances which a High Court Judge considers acceptable.

The liquidation process

Once the society is in liquidation, the process is the same as it is for a company under the Companies Act 1993.

Liquidation of a society essentially involves stopping the activities of a society, paying its debts, and distributing any assets in accordance with the rules of the society. Once a society is removed from the register at the end of the liquidation, it is not possible to restore it again.

[Read more about liquidation on the Companies Office website.](#)