

## **NO LONGER TRADING? YOU SHOULD DE-REGISTER YOUR COMPANY – Gorata Dibotelo (Former Armstrongs Associate)**

Many entrepreneurs are unaware of what to do with their companies once they stop trading. This article provides insight on the correct steps to follow.

De-registration occurs where the Company is removed from the Register of Companies (ROC) at the direction of the Registrar of Companies (Registrar).

The Registrar removes a Company from the ROC if he receives a request for de-registration in the prescribed form. This should come from a shareholder authorised by special resolution to make such a request; or the board of directors if authorised by the constitution.

A request for de-registration may be made on the grounds that the Company has ceased trading, has discharged its liabilities in full and has distributed its surplus assets; or the Company, after paying its debts in full, has no surplus assets and there are no pending liquidation proceedings.

A de-registration request by the Company must be supported by a letter from the Botswana Unified Revenue Service confirming that it has no objection to the de-registration. Practically this means that all taxes must be settled prior to the request.

On receipt of a de-registration request, the Registrar must:

- notify the Company, confirming receipt of the request and advising that it should satisfy him within 20 days that it is still trading or has any other reason to continue to exist, failing which, he will remove it from the ROC; and
- publish a notice in the Gazette and/or local newspaper indicating the Company's intended removal from the ROC, the grounds for such removal and the date by which any objections should be delivered to the Registrar (which such date shall not be less than 20 working days after the date of the notice).

The Company must, in parallel with the Registrar, publish a notice in a newspaper of general circulation making known the same facts as set out above.

After the 20 day objection periods have expired, and provided that no objections have been received, the Registrar will remove the Company from the ROC by issuing a certificate to this effect.

In theory the de-registration process should not take much longer than a month but due to staff shortages and a large backlog of work at the Registrar of Companies the process can take up to 6 months. These delays notwithstanding, a company that ceases to trade, is better off de-registering as way of avoiding any charge against the company in the form of payable returns.