

There have been a few changes regarding MVLs, which we have set out in this insight as a helpful reminder to practitioners.

Our insight considers the changes to filing statements of solvency, comments on the practice of remote swearing those statements and highlights the change in policy regarding clearance letters from HMRC.

Statements of Solvency

Copies Only

s89 of the Insolvency Act 1986 sets out the requirements for a statutory declaration of solvency where it is proposed that a company is wound up on a solvent basis.

Previously, it was a requirement of s89 that the original statement had to be delivered to the registrar of companies. However, with changes introduced by the Economic Crime and Corporate Transparency Act 2023, the registrar now only requires a copy.

Companies House issued a [new LIQ01 form](#), which provides that a copy should be sent.

Sending the original statement is likely to result in the statement being returned. Companies House also said that the new form must be used or it will reject the declaration of solvency.

Although not a significant change, it is still worth noting given the time limits in s89(3) require a copy of the statement to be sent to the registrar within 15 days and there is now the possibility that the form might be rejected if the original of the form is submitted.

Remote Swearing

We still see a number of statutory declarations of insolvency being signed remotely over video conference.

We do have a practice direction that allows notices of intention to appoint administrators and notices of appointment of administrators to be sworn by video conference.

However, at no time has that practice direction permitted declarations of solvency to be conducted remotely.

During the pandemic, Companies House accepted statements sworn remotely, and we understand that it still does, but be wary of doing this given that there is no clear authority on whether this is permitted. If the statutory declaration has not been completed correctly, does this bring the statement of solvency into question?

Clearance

HMRC changed its [policy](#) on issuing tax clearance letters for MVLs, so that it no longer provides them or responds to outstanding requests for clearance. HMRC has since provided an [update](#) on what practitioners need to do following this change, which includes advice on how to best correspond with HMRC.

Practitioners will need to ensure that suitable enquiries are made in relation to the company's tax position, before entering MVL. If there are any outstanding pre-appointment returns, HMRC will expect this to be corrected as soon as practically possible. HMRC will also not be able to submit an accurate proof of debt until all returns have been received.

Practitioners should also be satisfied that all outstanding tax returns are submitted, and all debts are paid in full before finalising the MVL, as HMRC will take action and report conduct issues if a dissolved company's tax affairs are not satisfactorily resolved.

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