Members' Voluntary Liquidation (MVL) Guide

Helping you close your solvent company the right way

What is an MVL?

A Members' Voluntary Liquidation (MVL) is a formal process used to close a solvent limited company - that is, one which can pay all its debts, in full, within 12 months. It's typically used by company owners who wish to retire, restructure, or release cash in a tax-efficient way.

Why Choose an MVL?

- **Tax Efficiency**: Distributions are often taxed as capital rather than income, with many shareholders qualifying for **Business Asset Disposal Relief** (formerly Entrepreneurs' Relief), which reduces the capital gains tax rate.
- **Control and Certainty**: You choose when the company closes, how to prepare for it, and how to time your distributions.
- **Peace of Mind**: An MVL is a formal, compliant process overseen by a licensed insolvency practitioner, protecting directors from future claims and ensuring all legal requirements are met.

Key Advantages

- Allows for an orderly wind-down of your business affairs
- Maximises value for shareholders
- Protects directors from post-closure risk
- Complies with HMRC expectations
- Provides finality and legal closure to the business

When to Start Planning

Ideally, planning should begin **before you stop trading**, while the company is still active and accounts are up to date. This allows:

- Time for all tax affairs to be resolved
- Cash to be extracted in the most efficient way
- Greater certainty and reduced stress

What to Expect from the Process

1. **Preparation**: We guide you through timing, tax clearance, and any pre-liquidation distributions
2. **Declaration of Solvency**: Directors confirm the company can pay all debts in full
3. **Appointment of Liquidator**: Shareholders formally appoint a licensed insolvency practitioner
4. **Asset Distribution**: Cash and other assets are distributed to shareholders
5. **Closure**: The company is formally removed from the Companies House register

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Why Use Midlands Business Recovery?

- 40 years' experience supporting directors through solvent exits
- Proven track record of delivering fast, tax-efficient MVLs
- Access to modern tools and automation to reduce delays and admin
- We work closely with your accountant to ensure everything runs smoothly

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Request a Free MVL Planning Call

Not sure if an MVL is right for you? Book a no-obligation call to talk it through. We'll explain your options clearly and practically.

Speak to us today to start planning your exit on the best possible terms.

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