

chapter L-4

WINDING-UP ACT

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REPEAL SCHEDULE

DIVISION I

METHOD OF VOLUNTARY WINDING-UP

1. Any joint-stock company constituted by letters patent, by the filing of its articles or by special Act may be wound up voluntarily whenever the directors deem it expedient that the company be dissolved.

This Act does not apply to a business corporation to which the Business Corporations Act (chapter S-31.1) applies.

R. S. 1964, c. 281, s. 1; 1979, c. 31, s. 44; 1999, c. 40, s. 169; 2009, c. 52, s. 595.

2. The directors shall thereupon convene a general meeting of the shareholders, mentioning in the notice that the dissolution of the company will be proposed at such meeting.

R. S. 1964, c. 281, s. 2.

3. The resolution of the directors, declaring it to be expedient that the company should be wound up voluntarily, shall be submitted to the general meeting of the shareholders, and if such meeting pass, by the vote of at least two-thirds in value of the shares represented by the shareholders present, a resolution that the company shall be wound up voluntarily and dissolved, then the company shall subsist and carry on business for the purpose only of winding-up its affairs.

R. S. 1964, c. 281, s. 3.

4. The company's status and powers as a legal person shall continue until its affairs are wound up.

R. S. 1964, c. 281, s. 4; 1999, c. 40, s. 169.

DIVISION II

LIQUIDATORS

5. At the general meeting, a liquidator or liquidators shall be appointed for the purpose of winding-up the affairs of the company and of distributing its assets; and thereupon the board of directors shall cease to exist.

R. S. 1964, c. 281, s. 5.

6. If any vacancy occurs in the office of liquidator by death, resignation or otherwise, the company may, at a general meeting, fill such vacancy; and such general meeting may be called by the continuing liquidator or liquidators, or by any shareholder.

R. S. 1964, c. 281, s. 6.

7. The company may also, at a general meeting called by any three shareholders, on notice mentioning that the removal of the liquidators or of any liquidator will be proposed, remove such liquidator or liquidators and appoint another or others in his or their place.

R. S. 1964, c. 281, s. 7.

8. In default of the shareholders appointing or replacing a liquidator or liquidators, any judge of the Superior Court, in the district where the company has its head office or principal establishment, may, on application of a shareholder, after a default of 15 days, appoint a liquidator or liquidators.

The judge may also, on due cause shown, remove any liquidator; and he may, after a default of 15 days on the part of the shareholders to do so, appoint another.

R. S. 1964, c. 281, s. 8; 1999, c. 40, s. 169.

9. A notice of the resolution passed by the shareholders for the winding-up and dissolution of the company shall be transmitted to the enterprise registrar, who shall deposit it in the register referred to in Chapter II of the Act respecting the legal publicity of enterprises (chapter P-44.1).

R. S. 1964, c. 281, s. 9; 1969, c. 26, s. 115; 1975, c. 76, s. 11; 1981, c. 9, s. 24; 1982, c. 52, s. 204; 1993, c. 48, s. 423; 2002, c. 45, s. 543; 2010, c. 7, s. 282.

10. The liquidator or liquidators shall take into his or their custody, and under his or their control, all the assets of the company, and shall, subject however to such limitations as may be determined by the resolution of the shareholders for the dissolution of the company, have power:

- (1) To bring or defend any action or other judicial proceeding in the name and on behalf of the company;
- (2) To carry on the business of the company, so far as may be necessary for the beneficial winding-up of the same, and to collect all moneys due to it;
- (3) To sell the property of the company, by auction, private sale, sale of the enterprise or retail sale; provided that, at a general meeting of the shareholders, the majority have given their consent to such sale of the enterprise;
- (4) To execute, in the name and on behalf of the company, all deeds, acquittances, receipts and other documents;
- (5) To draw, accept, make or endorse bills of exchange or promissory notes in the name and on behalf of the company; and to raise upon the security of the assets of the company, from time to time, any requisite sums of money;
- (6) To do and execute whatever else may be necessary for winding-up the affairs of the company and distributing its assets, including the power to compromise, at discretion, all claims and rights belonging to the company.

R. S. 1964, c. 281, s. 10; 1999, c. 40, s. 169.

11. When several liquidators are appointed, their powers may be validly exercised by the majority of them.

R. S. 1964, c. 281, s. 11.

12. The liquidator or liquidators shall first pay the debts of the company and the costs, charges and expenses of winding it up, and shall afterwards distribute the balance of the proceeds of the assets among the shareholders, according to their rights and interests in the company.

R. S. 1964, c. 281, s. 12.

13. The liquidator or liquidators shall recover and collect unpaid calls, in full or proportionately as the case may require, from shareholders in default, should he or they deem it necessary; but in case of the non-collection in whole or in part of such unpaid calls, the shareholders in default shall only rank in the distribution when those who have paid more shall have been ranked for the excess so paid by them.

R. S. 1964, c. 281, s. 13.

14. The shareholders shall fix the remuneration of the liquidator or liquidators; and also whether or not he or they shall give security for his or their administration, specifying when security shall be given and the amount thereof.

R. S. 1964, c. 281, s. 14.

15. If the winding-up continues for more than one year, the liquidator or liquidators shall call a general meeting of the shareholders, at the end of the first year, and at the end of each succeeding year, or so soon

thereafter as may be convenient; and he or they shall lay before such meetings an account, showing his or their acts and dealings, and the manner in which the operations for the winding-up have been conducted during the preceding year.

R. S. 1964, c. 281, s. 15.

16. As soon as the affairs of the company are fully wound up, the liquidator or liquidators shall make up an account showing the cash on hand at the date on which the company was placed in liquidation, the property of the company disposed of, the amounts realized, the sums paid and generally the manner in which such winding-up has been conducted, and shall attest the same before a justice of the peace; and thereupon he or they shall call a general meeting of the company for the purpose of laying such account before the shareholders and of having the same confirmed.

R. S. 1964, c. 281, s. 16.

17. The liquidator or liquidators shall make a return to the enterprise registrar of such meeting having been held, and also of such meeting having confirmed the account, showing the manner in which the winding-up has been conducted.

The enterprise registrar shall make an entry in the register indicating that the return was transmitted to him, and the company shall be dissolved from the date of such entry.

However, where a cooperative is wound up, the return shall be transmitted to the Minister of Economy and Innovation. The latter shall send a notice to the enterprise registrar indicating that he has received the return.

The enterprise registrar shall make an entry in the register indicating that the return was transmitted to the Minister, and the cooperative shall be dissolved from the date of such entry.

R. S. 1964, c. 281, s. 17; 1969, c. 26, s. 115; 1975, c. 76, s. 11; 1981, c. 9, s. 24; 1982, c. 52, s. 204; 1993, c. 48, s. 424; 1995, c. 67, s. 174; 1999, c. 8, s. 20; 2002, c. 45, s. 543; 2003, c. 29, s. 135; 2006, c. 8, s. 31; 2019, c. 29, s. 1.

18. In the course of the winding-up, but before the sale of the property, the general meeting of shareholders may decide, by a majority representing not less than 2/3 of the capital, to discontinue the winding-up proceedings and continue the operations of the company.

At the same meeting the shareholders shall direct one of their number to apply, in the name of the company, to a judge of the Superior Court, for the approval of the resolution.

Notice of the day when such application will be presented shall be given to the liquidators, to the creditors and to the shareholders, by registered mail. It shall be sent at least six days before the day fixed for the presentation of the application.

The resolution of the shareholders shall have no effect until approved by the judge.

Notice of such resolution and of its approval shall be transmitted to the enterprise registrar, who shall deposit the same in the register.

However, where a cooperative is wound up, the notice of such resolution and of its approval shall be transmitted in duplicate to the Minister of Economy and Innovation. The latter shall send a copy thereof to the enterprise registrar, who shall deposit it in the register.

The approval of such resolution by the judge shall put an end to the powers of the liquidators, but every act done by them while in office shall remain valid, and any action instituted by them may be taken up and carried on by the company in the usual way.

From the date of such deposit, the notice referred to in section 9 shall cease to have effect.

R. S. 1964, c. 281, s. 18; 1969, c. 26, s. 115; 1975, c. 76, s. 11; 1975, c. 83, s. 84; 1981, c. 9, s. 24; 1982, c. 52, s. 204; 1993, c. 48, s. 425; 1995, c. 67, s. 175; 1999, c. 8, s. 20; 2002, c. 45, s. 543; 2003, c. 29, s. 135; 2006, c. 8, s. 31; I.N. 2016-01-01 (NCCP); 2019, c. 29, s. 1.

DIVISION III

PROCEEDINGS AFTER DISSOLUTION

19. The enterprise registrar shall deposit a notice of dissolution in the register.

R. S. 1964, c. 281, s. 19; 1969, c. 26, s. 115; 1975, c. 76, s. 11; 1981, c. 9, s. 24; 1982, c. 52, s. 204; 1993, c. 48, s. 426; 2002, c. 45, s. 543.

20. Within 30 days after the date of the dissolution of the company, the liquidator or liquidators shall transfer to the Minister of Revenue the amount of all debts and of all dividends which may then be unclaimed and unpaid, with a statement thereof, attested before a justice of the peace, indicating, where applicable, the name and last known address of the interested parties and the date on which the money was transferred to the Minister of Revenue; and the money so transferred shall be governed by the Unclaimed Property Act (chapter B-5.1).

R. S. 1964, c. 281, s. 20; 1970, c. 17, s. 101; 1997, c. 80, s. 68; 2005, c. 44, s. 54; 2011, c. 10, s. 93.

21. The liquidator shall keep the books and records of the legal person for five years from the closing of the liquidation ; the liquidator shall keep them for a longer period if the books and records are required as evidence in proceedings.

The liquidator disposes of them thereafter as the liquidator sees fit.

R. S. 1964, c. 281, s. 21; 1997, c. 80, s. 69; 1999, c. 40, s. 169.

22. If the liquidator or liquidators neglects or neglect to transfer the moneys to the Minister of Revenue, or to deposit the books, accounts and documents as provided in sections 20 and 21, he or they severally shall be liable to a penalty of not more than \$10 for every day during which he or they is or are in default.

R. S. 1964, c. 281, s. 22; 1997, c. 80, s. 70; 2005, c. 44, s. 54.

23. The liquidators are required to render their accounts and pay over the moneys for which they are accountable in the same manner as the liquidator of a legal person under the Civil Code.

R. S. 1964, c. 281, s. 23; 1992, c. 57, s. 607.

DIVISION IV

JUDICIAL WINDING-UP

24. Upon application by a shareholder, the Superior Court may order the winding-up of a company whenever it is of the opinion that, for a reason other than bankruptcy or insolvency, it is just and equitable that the company be wound up.

R. S. 1964, c. 281, s. 24; I.N. 2016-01-01 (NCCP).

25. The order of the court directing the winding-up of the company shall have the same effects as a resolution of the shareholders under section 3.

In making the order, the court shall appoint one or more liquidators to wind up the affairs of the company and distribute its assets, and thereupon the functions of the directors shall cease.

The court or a judge thereof may thereafter fill any vacancy occurring in the office of liquidator, and dismiss and replace any liquidator deemed for any reason unfit or undesirable.

The court, when making the winding-up order, and, at any time thereafter, the court or one of its judges may order and authorize any proceeding consistent with this Act to ensure the protection of the rights of interested parties and an orderly winding-up of the company.

R. S. 1964, c. 281, s. 25.

25.1. The liquidator shall forthwith transmit the winding-up order to the enterprise registrar, who shall deposit a notice to that effect in the register.

1993, c. 48, s. 427; 2002, c. 45, s. 543.

26. When the winding-up order has been made the judge, upon the application of the company, the liquidator, a shareholder, a creditor or a contributory, may restrain further proceedings in any civil action, suit or proceeding against the company, upon such terms as he thinks fit.

R. S. 1964, c. 281, s. 26; 1992, c. 61, s. 376.

27. The judge shall not postpone the right of a secured creditor to realize or otherwise deal with his security, except as follows:

(a) in the case of a security for a debt due at the date of the winding-up order, such right shall not be postponed for more than six months from such date;

(b) in the case of a security for a debt that becomes due after the date of the winding-up order, such right shall not be postponed for more than six months from the date of maturity of such debt, nor unless all instalments of interest six months overdue have been paid.

R. S. 1964, c. 281, s. 27.

28. A secured creditor, within a period of 30 days after demand in writing made upon him by the liquidator, must file with the liquidator an affidavit giving full particulars of his security.

R. S. 1964, c. 281, s. 28; 1999, c. 40, s. 169.

29. The liquidator may redeem a security on payment of the debt.

R. S. 1964, c. 281, s. 29.

30. Failing approval by the shareholders of the account provided for in sections 16 and 17, the approval of the judge or court shall avail for all purposes in lieu thereof.

R. S. 1964, c. 281, s. 30.

31. Furthermore, and saving inconsistency with this division, the provisions of sections 4 to 23 shall apply to the judicial winding-up and dissolution of companies under this division.

R. S. 1964, c. 281, s. 31.

32. There shall be an appeal to the Court of Appeal from the order to wind up the company. Such appeal shall be heard by preference, in summary manner, in conformity with article 31 of the Code of Civil Procedure (chapter C-25.01).

Where applicable, the liquidator shall also transmit forthwith to the enterprise registrar a notice indicating that the order has been appealed from; the enterprise registrar shall deposit such notice in the register.

Any other order or decision of the court or one of its judges relating to such winding-up shall be definitive.

R. S. 1964, c. 281, s. 32; 1965 (1st sess.), c. 80, a. 1; 1974, c. 11, s. 2; 1993, c. 48, s. 428; 2002, c. 45, s. 543; I.N. 2016-01-01 (NCCP).

32.1. The decision of any court concerning the winding-up order shall be transmitted forthwith by the company or the liquidator, as the case may be, to the enterprise registrar, who shall deposit a notice to that effect in the register.

1993, c. 48, s. 429; 2002, c. 45, s. 543.

33. *(This section ceased to have effect on 17 April 1987).*

1982, c. 21, s. 1; U. K., 1982, c. 11, Sch. B, Part I, s. 33.

34. The Government designates the Minister responsible for the administration of this Act except the provisions relating to the responsibilities of the enterprise registrar, which are administered by the Minister of Employment and Social Solidarity.

2002, c. 45, s. 544; 2006, c. 38, s. 40; 2016, c. 29, s. 26.



The Minister of Finance exercises the functions of the Minister of Revenue provided for in this Act. Order in Council 1689-2022 dated 26 October 2022, (2022) 154 G.O. 2 (French), 6581.

Not in force

35. The Minister of Economy and Innovation is responsible for the application of this Act.

2002, c. 45, s. 544; 2003, c. 29, s. 170; 2006, c. 8, s. 31; 2019, c. 29, s. 1.

REPEAL SCHEDULE

In accordance with section 17 of the Act respecting the consolidation of the statutes (chapter R-3), chapter 281 of the Revised Statutes, 1964, in force on 31 December 1977, is repealed effective from the coming into force of chapter L-4 of the Revised Statutes.