

Case Study

A General Trading company

Service(s) offered: **Winding Up in UAE**

Sector/Industry: **Trading Company**



Winding down of the operations of a Company in DMCC, UAE

Overview

Headquartered in India, ABC Group (Client) is present in diversified businesses with a strong foothold in pharmaceuticals, biotechnology, and packaging industries. In 2022, as part of its global expansion strategy, it established a Dubai subsidiary (Dubai Company) to drive trading operations within the Dubai Multi Commodities Center (DMCC) Free Zone and beyond.

However, in a rapidly evolving market landscape, the Client made a strategic decision to wind down its Dubai operations, prioritizing efficiency and a timely exit. With dissolution as the chosen path, time was of the essence. To ensure a seamless and expedited process, the Client turned to Nexdigm for expert assistance in navigating the winding-down procedures and finalizing the closure of its UAE entity.

Challenge

The decision to exit from Dubai entailed activities like cancellation of lease, cancellation of registration and obtaining No objection certificates (NOCs) from applicable departments in Dubai.

Absence of a few from the management team locally in UAE created a vacuum and there was a need for a team that could assist and coordinate with the liquidator to ensure the proper closure of the legal entity.

Case Highlights

- **Complete Documentation Support:** Drafted, compiled, and submitted all required documents for voluntary winding up.
- **Hassle-Free Application Processing:** Managed submissions and approvals with the Free Zone Authority.
- **Seamless Liquidator Coordination:** Ensured timely issuance and submission of the Liquidator Report.
- **Lease Cancellation & Refunds:** Facilitated lease termination and secured refunds.
- **Regulatory Follow-ups:** Engaged with authorities for swift approvals.
- **End-to-End Liaison:** Represented the client in all official communications.

After the decision of business closure was announced by the management in Dubai, a liquidator was to be appointed, even before the business operations were discontinued and winding down was initiated.

Solutions

Nexdigm implemented a structured and proactive approach to assist the client during entire closure process:

- The activity of the winding down of the operations had to be done in coordination with the appointed liquidator.
- A detailed checklist for different areas was circulated with the management and liquidator to gather the required information and documents.
- Nexdigm worked very closely with various stakeholders in closing all open issues and obtaining NOCs from respective departments.
- Nexdigm's team reviewed the old information/documents, analyzed the issues and advised the client on resolution of the same.

Impact

Nexdigm ensured that the operational wind-down and other related activities were completed smoothly, in a timely manner.

All the critical issues were discussed with the management stakeholders and appropriate recommendations/suggestions were also provided to ensure correct decision-making.

Nexdigm's comprehensive approach ensured complete coordination with all internal and external stakeholders alongside providing them with timely updates. This also included safeguarding the interest of the Client in the absence of an on-ground local management team in UAE.

“

Closing our DMCC business with Nexdigm's expertise was a smooth and efficient experience. Their team's operational excellence shone through, as they completed the entire liquidation process within a remarkable timeframe of six months.

Throughout the process, Nexdigm meticulously ensured we complied with all the regulatory requirements of the DMCC and the applicable Indian regulations. Furthermore, their clear and consistent communication kept us informed at every stage of the project. This transparency allowed us to stay on track with our internal deadlines while Nexdigm took complete ownership of the liquidation process.

Thanks to Nexdigm's professionalism and efficiency, we were able to close this chapter confidently. We look forward to collaborating with Nexdigm again on future endeavors.

”

Group CFO
ABC Group of Companies

For more information on this case study, please write to us at:

ThinkNext@nexdigm.com

You can also visit our website to know how our services resulted in tangible business benefits:

www.nexdigm.com