

DISSOLVING A CHARITY - SCIOS

As with charities with other legal structures, prior to taking the decision to dissolve your Scottish Charitable Incorporated Organisation (SCIO) and applying to the Office of the Scottish Charity Regulator (OSCR) for consent, you need to first ensure that you have the power to do so. This will be detailed in your SCIO's constitution similar to below.

Winding-up	
109	If the organisation is to be wound up or dissolved, the winding-up or dissolution process will be carried out in accordance with the procedures set out under the Charities and Trustee Investment (Scotland) Act 2005.
110	Any surplus assets available to the organisation immediately preceding its winding up or dissolution must be used for purposes which are the same as - or which closely resemble - the purposes of the organisation as set out in this constitution.

Unlike other charities however, there is no requirement for SCIOs to make an application to dissolve within a given timescale of the proposed dissolution date. Depending on whether the SCIO is **solvent** or **insolvent** (debts of at least £1,500), the information required in an application to dissolve varies slightly as illustrated in the table below.

Solvent SCIOs must submit to OSCR		Insolvent SCIOs must submit to OSCR	
1	A completed Application to dissolve a solvent SCIO	1	A completed Application to dissolve an insolvent SCIO
2	A signed statement from the SCIO that it will notify all known creditors to advise them that it has applied to OSCR to be dissolved.	2	An application by the SCIO to AiB (Accountant in Bankruptcy) for the sequestration of the SCIO's estate signed by at least two-thirds of its charity trustees, or by one acting on behalf of all.
3	A copy of a resolution of the SCIO's members that, subject to OSCRs consent, the SCIO will wind up its affairs, transfer surplus assets to a similar organisation and be removed from the charity register and therefore dissolved. The resolution must be passed by a two-thirds majority at a general meeting and must have been passed no more than 21 days before making the application to OSCR.	3	A copy of a resolution of the SCIO's members that, subject to OSCR being satisfied that it meets the Dissolution Regulations, the SCIO's estate will be sequestrated, any remaining assets will be transferred to a similar organisation and the SCIO will be removed from the charity register and therefore dissolved. The resolution must be passed by a two-thirds majority at a general meeting and must have been passed no more than 21 days before making the application to OSCR.
4	A copy of the SCIO's constitution.	4	A copy of the SCIO's constitution.
5	A copy of the register of the SCIO's charity trustees.	5	A copy of the register of the SCIO's charity trustees.
6	A Declaration of Solvency of the SCIO signed by at least two-thirds of its charity trustees, or by one acting on behalf of all if authorised.	6	A Declaration of Insolvency of the SCIO signed by at least two-thirds of its charity trustees, or by one acting on behalf of all if authorised.
7	A Notice of Application for Dissolution of the SCIO .	7	A Notice of Application for Dissolution of the SCIO .

When OSCR receives the above documents it will publish the **Notice of Application for Dissolution** on its website within **14 days**. It will remain on OSCR's website for **28 days**, during which time any person may contact OSCR to object. Once the 28 day publication period has expired, OSCR must make its decision within **21 days**. If consent is granted, the SCIO will be free to dissolve within an agreed period of time. Once it has done so, it must notify OSCR by providing various forms of information including evidence that any surplus assets have been transferred.

For insolvent SCIOs, within 14 days of publishing the **Notice of Application for Dissolution** on its website OSCR will pass the application to AiB to decide whether the SCIO shall be sequestrated (please note that currently a fee of £200 must be paid to AiB within 21 days of receiving the application from OSCR). The AiB, if satisfied, will then award sequestration of the SCIOs estate and notify both OSCR and the SCIO of its decision. Depending on the number of assets, the sequestration process will take a minimum of 15 months. For further information on dissolving a SCIO, please refer to OSCR's [SCIOs: A Guide](#) document.