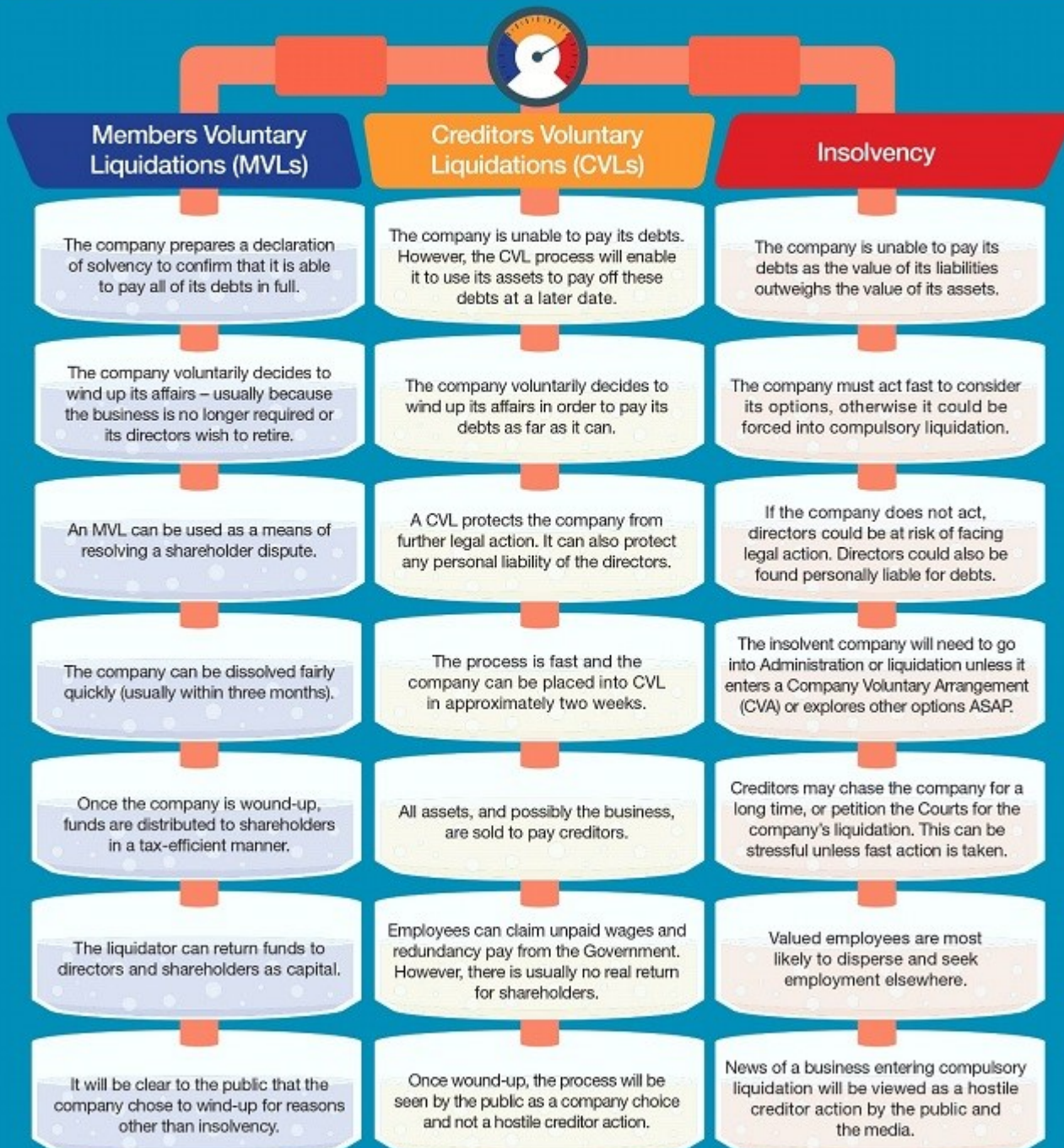


# The differences between liquidation and insolvency

It is a common misconception that a company in liquidation must be insolvent. However, this is not always the case. There are two key paths that companies going into liquidation will usually follow. These are Members Voluntary Liquidations (MVL's) and Creditors Voluntary Liquidations (CVL's).

MVL's are used by solvent companies, while CVL's are used by insolvent companies. However, both differ tremendously from insolvency. See our useful infographic below highlighting the key differences between the three:



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