

Analysis of the Company Liquidation Process and its Impact on Stakeholders

Nur Anita Chandra Putry^{1*}, Sri Ayem², Seruni Wanda Sari³, Beni Handoyo⁴, Indhit Ambardi⁵

^{1,2,3,4,5}Universitas Sarjanawiyata Tamansiswa, Yogyakarta, Indonesia

Email: chandra.putry@ustjogja.ac.id

ABSTRACT

This study aims to analyze the company liquidation process and its impact on stakeholders. Liquidation is the final stage in a company's life cycle, occurring when the company is no longer able or viable to continue its operations, either due to internal decisions or court rulings. This study uses a qualitative descriptive approach with a literature review method based on laws and regulations, accounting literature, and relevant previous research. The results indicate that the company liquidation process involves several important stages: company dissolution, inventory of assets and liabilities, sale of assets, repayment of obligations to creditors, and distribution of remaining assets to shareholders. The liquidation process has economic, legal, and social impacts on stakeholders, particularly creditors, employees, shareholders, and the government. Liquidation that is carried out transparently, accountably, and in accordance with legal provisions can minimize conflict and provide certainty and fairness for the parties involved. Conversely, poorly managed liquidation has the potential to cause economic losses and legal uncertainty. This research is expected to serve as a reference for academics, practitioners, and regulators in managing company liquidations more effectively and equitably.

Keywords: *Company Liquidation, Stakeholders, Corporate Law, Accounting*

1. INTRODUCTION

Company liquidation is an important process in the life cycle of a business entity, which is carried out when the company is no longer able or is no longer viable to continue its operational activities [1]. Liquidation can occur due to various factors, such as the company's inability to meet financial obligations, shareholder decisions, business restructuring, or court decisions [2]. This process aims to officially stop the company's activities and complete all rights and obligations held by the company.

In practice, the liquidation process not only impacts the company as a legal entity, but also affects various stakeholders [3]. Creditors have an interest in the repayment of receivables, employees are concerned with the fulfillment of normative rights such as wages and severance pay, shareholders are focused on the remaining assets of the company, while the government is concerned with legal compliance and the fulfillment of tax obligations [4]. Therefore, company liquidation must be carried out transparently and in accordance with applicable regulations so as not to cause injustice to the parties concerned [5].

Problems often arise in the implementation of liquidation, such as delays in settling obligations, unclear distribution of assets, and the emergence of legal disputes between stakeholders [4]. This situation can lead to economic losses and undermine confidence in the legal system and corporate governance. This demonstrates that the liquidation process is not merely administrative but also has significant legal and social implications [6].

Based on this background, this research is crucial to provide a deeper understanding of the corporate liquidation process and its impact on stakeholders. This research aims to analyze the stages of corporate liquidation and examine their implications for the parties involved. It is hoped that this research will serve as a reference for academics, practitioners, and regulators in managing corporate liquidations more effectively and equitably.

2. THEORETICAL REVIEW

2.1. Understanding Company Liquidation

Company liquidation is the process of resolving all business activities of a dissolved company by settling its assets and liabilities. Liquidation is carried out to ensure that all company rights and obligations are settled in an orderly manner in accordance with applicable laws [2]. In the context of corporate law, liquidation marks the end of a company's existence as a legal subject after all the winding-up processes have been completed [7].

2.2. Types of Liquidation

Company liquidation can be divided into voluntary liquidation and involuntary liquidation. Voluntary liquidation is carried out based on an internal company decision, generally through a general meeting of shareholders, when the company is deemed no longer able or unwilling to continue its business activities [2]. Meanwhile, forced liquidation is carried out based on a court decision, for example in cases of bankruptcy or certain legal violations. The differences in these types of liquidation affect the procedures, timeframes, and the authorities responsible for carrying them out [7].

2.3. Company Liquidation Process

The company liquidation process generally begins with the dissolution of the company and the appointment of a liquidator [2]. The liquidator is responsible for taking inventory of the company's assets and liabilities, selling assets, paying off obligations to creditors, and distributing the company's remaining assets to shareholders [8]. Each stage of liquidation must be carried out transparently and accountably to prevent irregularities and conflicts of interest [9].

2.4. Stakeholders in Company Liquidation

Stakeholders in the liquidation process include creditors, shareholders, employees, and the government. Creditors are primarily interested in the repayment of receivables, employees are primarily concerned with the fulfillment of normative rights, shareholders are entitled to the remaining company assets after liabilities are paid, and the government plays a role in overseeing and fulfilling tax and legal administration obligations [2].

2.5. Impact of Liquidation on Stakeholders

Company liquidation has economic, legal, and social implications for stakeholders. For creditors, liquidation determines the level of receivables recovery. For employees, liquidation can result in termination of employment and income uncertainty [2]. Meanwhile, shareholders often face the risk of a decline in investment value. Therefore, proper liquidation management is crucial in minimizing the negative impact on all parties involved.

3. RESEARCH METHODS

This research uses a qualitative descriptive approach with a literature review method. This approach was chosen to gain an in-depth understanding of the company liquidation process and its impact on stakeholders based on theoretical studies and applicable regulations. The literature review was conducted by reviewing various relevant written sources, such as textbooks, scientific journal articles, laws and regulations, and accounting standards related to company liquidation [10].

The data used in this study is secondary, obtained indirectly through documents and scientific publications. Data sources include laws governing limited liability companies and bankruptcy, accounting literature, and previous research discussing liquidation and stakeholder interests. Sources were selected selectively to ensure the relevance and credibility of the data used. [10].

The data analysis technique used was descriptive and interpretive. The collected data was analyzed by grouping, comparing, and interpreting concepts and previous research findings to obtain a comprehensive picture of the stages of company liquidation and their implications. The results of the analysis were then presented in a systematic narrative format in accordance with the research objectives.

4. RESULTS AND DISCUSSION

Company liquidation is a process that has significant implications for the continuity of the rights and obligations of the company and the stakeholders involved [11]. Based on the results of a literature review, the liquidation process generally begins with a decision to dissolve the company, which is made through a general meeting of shareholders or based on a court decision. After the dissolution decision is made, the company appoints a liquidator who is responsible for carrying out all stages of the liquidation in accordance with applicable laws [12].

The initial stage of liquidation involves taking an inventory of the company's assets and liabilities. At this stage, the liquidator records and assesses all company assets, both current and non-current, and identifies all liabilities that must be settled [8]. Accurate inventory is crucial because it determines a company's ability to meet

its obligations to creditors. Errors or inaccuracies at this stage have the potential to lead to disputes and dissatisfaction among stakeholders [13].

The next stage is the sale or liquidation of company assets. The company's assets are sold to raise funds to settle liabilities. This process must be conducted transparently and professionally to prevent a significant decline in asset value [14]. Suboptimal asset sales can cause losses for creditors and shareholders because the funds obtained are insufficient to meet all of the company's obligations [3].

Settlement of obligations to creditors is a crucial stage in the liquidation process. Creditors have certain priority rights under the law, so payments must be made in the established order. For employees, liquidation often results in termination of employment and uncertainty about the fulfillment of normative rights, such as wages and severance pay. This situation demonstrates that liquidation not only has economic impacts but also has significant social implications [15].

After all company obligations are settled, the remaining company assets are distributed to shareholders according to the proportion of ownership [12]. However, in many cases, liquidation causes shareholders to suffer losses because the value of the remaining assets is not commensurate with the investment that has been made [16]. This confirms that liquidation is often the last option taken by companies when business rescue efforts are no longer possible.

From the government's perspective, corporate liquidation is related to fulfilling tax obligations and complying with legal administration. The government plays a supervisory role to ensure that the liquidation process complies with applicable regulations and does not harm the public interest [2]. Therefore, coordination between the liquidator, the company, and the relevant authorities is an important factor in the success of the liquidation process.

The discussion results indicate that a liquidation process managed transparently, accountably, and in accordance with regulations can minimize negative impacts on stakeholders. Conversely, liquidation carried out without careful planning has the potential to lead to conflict, economic loss, and legal uncertainty [17]. Thus, good management of company liquidation is key to maintaining fairness and certainty for all parties involved.

5. CONCLUSION AND SUGGESTIONS

5.1. Conclusion

Based on the discussion, it can be concluded that company liquidation is a final resolution process that has significant implications for the company and its stakeholders. The liquidation process involves several important stages, starting with the dissolution of the company, inventory of assets and liabilities, sale of assets, repayment of obligations to creditors, and distribution of remaining assets to shareholders. Each stage must be carried out in an orderly manner and in accordance with applicable laws.

5.2. Suggestions

Companies are advised to thoroughly prepare the liquidation process by involving competent professionals to ensure each stage is carried out effectively and transparently. Liquidators are expected to carry out their duties objectively and responsibly to protect the interests of all stakeholders. The government and regulators also need to increase oversight of the liquidation process to ensure compliance with applicable laws. Further research is recommended to examine the company liquidation process through an empirical approach or case studies to obtain a more in-depth and applicable picture.

REFERENCE

- [1] Fadilah, D. Al, Rizky, A., Fadhilah, A., & Septiana, S. (2024). Faktor-Faktor yang Mendorong Likuidasi Anak Perusahaan serta Pengaruhnya terhadap Reputasi Perusahaan di Sektor Perbankan. *Jurnal Ilmiah Ekonomi, Akuntansi Dan Perpajakan*, 1(4), 259–268. <https://doi.org/https://doi.org/10.61132/jieap.v1i4>
- [2] Hidayah, N., & Firmansyah, A. (2020). Implementasi Likuidasi Korporasi di Indonesia: Kajian Akuntansi dan Yuridis. *Ilmiah Wahana Akuntansi*, 15(2), 184–196. <https://doi.org/https://doi.org/10.21009/wahana.15.025>
- [3] Cepec, J., Grajzl, P., & Mörec, B. (2024). The impact of institutionalized representation: creditors' committees and the resolution of corporate liquidation bankruptcies. *European Journal of Law and Economics*, 58(3), 397–425. <https://doi.org/10.1007/s10657-024-09823-x>
- [4] Haq, F. A., Hukum, & R, M. I. F. (2025). Pengaturan Perlindungan Kreditor Konkuren Dalam Likuidasi Perseroan Terbatas Melalui Kepailitan. *Jurnal Kertha Semaya*, 13(6), 1093–1109.

<https://doi.org/https://doi.org/10.24843/KS.2025.v13.i06.p04>

- [5] Sulistia Minarti, E., & Suwarno. (2024). Pengaruh Financial Distress dan Good Corporate Governance terhadap Manajemen Laba. *Akuntansi Dan Ekonomi Pajak: Perspektif Global*, 1(3), 357–384. <https://doi.org/10.61132/aepgg.v1i3.440>
- [6] Salsiah, L. (2023). Implications of Limited Liability Company After Being Declared Bankrupt. *International Journal of Social Service and Research*, 3(5), 1148–1153. <https://doi.org/10.46799/ijssr.v3i5.379>
- [7] Shubhan, H. (2007). Kepailitan Terhadap Perseroan Terbatas yang Berstatus Sedang Dalam Likuidasi. *Jurnal Perspektif*, 12(2). <https://doi.org/https://doi.org/10.30742/perspektif.v12i2.380>
- [8] Nurudin, A. (2019). The Liquidator Liability In The Process Of Corporate Liquidation. *Diponegoro Law Review*, 4(1), 397. <https://doi.org/10.14710/dilrev.4.1.2019.397-404>
- [9] Putri Wijayanti, R., & Susilowati, E. (2025). Analisis Akuntabilitas dan Transparansi Keuangan sebagai Bentuk Pencegahan Korupsi pada Perusahaan Publik dalam Perspektif Keberlanjutan Sosial dan SDGs. *BAJ (Behavioral Accounting Journal)*, 8(1). <https://doi.org/https://doi.org/10.33005/baj.v8i1.404>
- [10] Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Alfabeta.
- [11] Yuliyanto Waisapi, J. (2024). Is Indonesia Company Law Ready to Turn the Page on Outdated Liquidation Procedures. *Journal Unnes*, 5(3). <https://doi.org/https://doi.org/10.15294/jllr.v5i3.4335>
- [12] Paramadani, S. P. (2023). Tinjauan Hukum Pembubaran Perseroan Terbatas Atas Keputusan Rapat Umum Pemegang Saham (RUPS) Sesuai dengan Aturan Hukum Indonesia dan Malaysia. *AL-MANHAJ: Jurnal Hukum Dan Pranata Sosial Islam*, 5(1), 1025–1034. <https://doi.org/10.37680/almanhaj.v5i1.2874>
- [13] Amin, A., Mauludin, H., & Mufidah, L. (2024). The Influence of Asset Valuation, Asset Inventory, and Legal Audit on Asset Optimization. *Asian Journal of Economics, Business and Accounting*, 24(7), 247–257. <https://doi.org/10.9734/ajebe/2024/v24i71407>
- [14] Deepthi, M., & Tomer, S. (2019). A Detailed Research on Liquidation of a Company. *International Journal of Recent Technology and Engineering (IJRTE)*, 8(4), 7791–7795. <https://doi.org/10.35940/ijrte.d5387.118419>
- [15] Rahayu, A., Megawati, R., Zahra, T. W., Wulandari, T. W., & Gunawan, A. (2025). Kepailitan dan Hak Karyawan yang di-PHK pada Perusahaan. *Kompeten: Jurnal Ilmiah Ekonomi Dan Bisnis*, 3(4), 1074–1081. <https://doi.org/10.57141/kompeten.v3i4.165>
- [16] Kurniawan, A. (2025). Tinjauan Yuridis dan Dampak Hukum Kepada Pemegang Polis pada Likuidasi Perusahaan Asuransi yang Dicabut Izin Usahanya. *Jurnal Hukum, Administrasi Negara, Dan Kebijakan Publik*, 2(4), 142–154. <https://doi.org/https://doi.org/10.62383/presidensial.v2i4.1335>
- [17] Gaffar, A. (2024). Conflict of Interest by Director Which Also Act as Liquidator for Company Liquidation Process. *Jurnal Akta*, 11(3). <https://doi.org/10.30659/akta.v11i3.39751>