Date: [Insert Date]

To: [Insert Name of Regulatory Body/Stakeholders/Bankers]

From: The Board of Directors, [Insert Company Name]

Subject: Formal Declaration of Liquidity Shortfall

Dear [Insert Recipient Name],

This letter serves as a formal declaration by the Board of Directors of [Insert Company Name] (the "Company") regarding a projected liquidity shortfall. Following a comprehensive review of the Company's current financial position and projected cash flows for the period ending [Insert Date], the Board has determined that the Company does not currently possess sufficient liquid assets or available credit facilities to meet its immediate financial obligations as they fall due.

The primary factors contributing to this liquidity shortfall include:

- [Insert Reason 1, e.g., Unforeseen market downturn]
- [Insert Reason 2, e.g., Delay in accounts receivable]
- [Insert Reason 3, e.g., Unexpected capital expenditure]

In response to this situation, the Board of Directors has authorized the following immediate actions:

- Implementation of cost-reduction measures.
- Negotiations with creditors for payment extensions or restructuring.
- Exploration of emergency financing options and asset liquidations.
- Engagement of financial advisors to assist in a recovery plan.

The Board is committed to resolving this shortfall and ensuring the long-term viability of the Company. We will provide regular updates as the situation evolves and as specific remediation steps are finalized.

This declaration is made in accordance with [Insert Relevant Law/Bylaw/Regulation] and the Board's fiduciary duties to the Company and its stakeholders.

Sincerely,

[Signature]
[Name of Chairperson/Authorized Director]
Chairperson of the Board
[Insert Company Name]

Attested by:

[Signature]
[Name]
Company Secretary