

## **Economic Substance Reporting – Notification required from all DMCC Members**

Date: 14 May 2020

Further to the previous guidance notes of 6 January, 27 February, 2 April and 30 April 2020 relating to Economic Substance Reporting ("ESR"), the DMCC hereby requests member companies to submit the [Notification](#) which is a legal requirement under the ESR regulations.

The Notification is the first step for member companies under the ESR regulations and serves as the self-declaration of whether **Relevant Activities** are performed in the UAE. Each member company will receive a [service request through its DMCC MemberPortal] in order to complete and submit the Notification. The Notification must be completed by all members incorporated on or prior to 31 December 2019 and must be submitted by **no later than 30 June 2020**. Failure to complete and submit the Notification may result in penalties, as set out in the ESR regulations of [Cabinet Resolution No 31 of 2019](#).

In [Cabinet Resolution No. 58/2019](#), the DMCC Authority has been appointed as a Regulatory Authority for all businesses established in the DMCC free zone. As a Regulatory Authority, the DMCC Authority is required to provide the ESR information received from its member companies to the Ministry of Finance, as Competent Authority under the ESR regulations.

As per Clause 4.2 of [Ministerial Decision No 215 of 2019](#), the Licensee shall submit to the Regulatory Authority a Notification confirming;

- a) Whether or not it carries out a Relevant Activity;
- b) Whether or not all or any part of the Licensee's gross income in relation to a Relevant Activity is subject to tax in a jurisdiction outside the UAE; and
- c) The date of the end of its financial year.

Members are advised to refer to the [flow chart](#) on the DMCC's website which shows the steps under the ESR regulations for member companies. Further background to the requirements and rationale for the ESR regulations can be found in the above mentioned guidance notes and formal ESR regulations.

This information is provided to member companies based on the DMCC's current understanding of the ESR regulations and related information, as provided by the [Ministry of Finance](#).

In case circumstances outside the control of the DMCC dictate that the information, process and/or timings change, updated guidance will be provided as soon as practicable.