



**Circular No. 005 of 2020
Regarding the Ministry of Finance Economic Substance Requirements (“ESR”) Portal**

Date: 8th of November 2020

Dear Valued Customers,

Further to the UAE Cabinet Resolution No. 57 of 2020 Concerning Economic Substance Requirements (the “**Decision 57**”), Ministerial Decision No. 100 of 2020 (“**Ministerial Decision 100**”).

Decision 57 applies to all DACC Licensees that undertake a relevant activity and have a financial year ending on or after the 31st of December 2019. DACC Licensees that submitted their Notifications for the 30th of June 2020 deadline must resubmit their Notifications through the Ministry of Finance Portal, which will go live in the first week of December 2020.

All DACC Licensees that undertake a relevant activity must file their Notifications within six months from the end of their financial year.

All ESR Reports must be submitted within 12 months from the end of their financial year (i.e. DACC Licensees that have their financial year ending on the 31st of December 2020, must submit their ESR Reports by December 2020, through the Ministry of Finance Portal).

Clarifications concerning filing deadlines

Notifications due before the Ministry of Finance Portal goes live

The filing deadline for Notifications that are due before the Ministry of Finance Portal is available will be extended to 31 December 2020. For example, in respect of a Licensee with a 31 March 2020 financial year end, which under Article 4.4 of Ministerial Decision 100 would be required to file by 30 September (i.e. before the Ministry of Finance Portal goes live), this Licensee would be required to file by no later than 31 December 2020.

Licensees and/or Exempted Licensees that fail to submit their Notification along with the required supporting documents by 31 December 2020 will be issued a penalty of AED 20,000 under Article 13 of Decision 57 for failure to provide a Notification.

Notifications previously filed with Regulatory Authorities

Licensees and/or Exempted Licensees that have submitted a Notification to a Regulatory Authority before the Ministry of Finance Portal goes live (e.g. by the 30 June 2020 deadline) are required to resubmit their Notification by no later than 31 December 2020.

Licensees and/or Exempted Licensees that fail to resubmit their Notification by the aforementioned date shall be subject to a penalty of AED 20,000 under Article 13 of Decision 57 for failure to provide a Notification.



Economic Substance Reports due before the Ministry of Finance Portal goes live

The filing deadline for Economic Substance Reports for a Financial Year commencing on or after 1 January 2019 and ending on or before 31 December 2019 shall be 31 December 2020.

This deadline also applies to Licensees and Exempted Licensees (where applicable) that have a short Financial Year ending on or before 31 December 2019. For example, in respect of a Licensee or Exempted Licensee (where applicable) with a short financial year commencing on 1 April 2019 and ending on 31 October 2019, which under Article 8.4 of Decision 57 would be required to file by 31 October, this Licensee or Exempted Licensee (where applicable) would be required to file the Economic Substance Report by no later than 31 December 2020 on the Ministry of Finance Portal.

Licensees and/or Exempted Licensees (where applicable) that fail to submit their Economic Substance Report within the aforementioned period shall be subject to a penalty of AED 50,000 under Article 14 of Decision 57 for failure to provide an Economic Substance Report.

Licensees and Exempted Licensees shall ensure that the filing deadlines noted under this circular are met for both the Notification and the Economic Substance Report.

To view the Notification template, kindly click [here](#).

To view the Report Template, kindly click [here](#).

For further Guidance, please click for [Notifications](#) and [Reports](#).

Any DACC Licensee that fails to submit the Economic Substance Notification, or provides inaccurate or incomplete information, may be subject to fines under the applicable legislation.

For further clarifications, please use the relevant [legislation](#) found on the Ministry of Finance's website.

It should be noted that DACC will not advise or instruct any of its Licensees on how to fill out the Notification or whether the Licensee undertakes a Relevant Activity. DACC recommends consulting a professional for any of their queries regarding the Economic Substance Regulations. We thank you for your cooperation in this matter.

Dubai Aviation City Corporation

The Licensing and Regulatory Body for Companies Operating at Dubai South