



ECONOMIC SUBSTANCE REGULATIONS (“ESR”) COMPLIANCE

Economic Substance Regulations (“ESR”) compliance is to be done for every financial year.

Companies are required to do assessment of their activities and transactions for each financial year and take action accordingly for the filing requirement with UAE Ministry of Finance (“MoF”)

For the financial year 2022, 2022-23, below deadlines are applicable:

- **ESR notification** (as applicable after conducting assessment of the transactions carried out in 2022-23) needs to be filed within 6 months of the end of financial year:

Financial Year End	Due date of ESR notification (as applicable)
June 2023	31st December 2023

- **ESR report** (as applicable) needs to be filed within 12 months of financial year:

Financial Year End	Due date of ESR deadline (as applicable)
December 2022	31st December 2023

As first step, companies need to access the financial transactions conducted during the year and conclude if these fall within any of the relevant activities defined in the ESR law.

Once that assessment is made and concluded on the relevant activity, then the notification and report need to be filed within the timelines otherwise there are penalties (AED 20,000 for failure to submit notification and AED 50,000 for failure to submit report) involved for compliance failure.



"Reach out and let's connect!"



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