

## UAE 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 2020, below deadlines are applicable:

- **ESR notification** (as applicable after conducting assessment of the transactions carried out in 2020/2020-21) needs to be filed within 6 months of end of financial year.

Financial year end	Due date of ESR notification (as applicable)
31 <sup>st</sup> Dec 2020	30 <sup>th</sup> June 2021
28 <sup>th</sup> Feb 2021	31 <sup>st</sup> Aug 2021
31 <sup>st</sup> Mar 2021	30 <sup>th</sup> Sept 2021
30 <sup>th</sup> June 2021	31 <sup>st</sup> Dec 2021

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

Financial year end	Due date of ESR report (as applicable)
30 <sup>th</sup> June 2020	30 <sup>th</sup> June 2021
31 <sup>st</sup> Aug 2020	31 <sup>st</sup> Aug 2021
30 <sup>th</sup> Sept 2020	30 <sup>th</sup> Sept 2021
31 <sup>st</sup> Dec 2020	31 <sup>st</sup> Dec 2021

As first step, companies need to assess 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 needs 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.

If you would like to discuss any ESR matters, please drop us an email at [info@premier-brains.com](mailto:info@premier-brains.com) or call us at + 971 4 3542959.

This document is only for information purposes and should not be construed as an advice. It does not necessarily cover each aspect of the topic with which it deals. You should not act upon the contents of this document without receiving formal advice on your particular circumstances

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- Tax Advisory
- Business valuations
- Feasibility Studies
- Business Accounts Outsourcing Services

- Fund raising and restructuring
- JAFZA Offshore agents
- Company incorporations (under group entities)

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