



UAE Economic Substance Regulations – Summary of notification deadlines announced till date

Following the issuance of the Economic Substance Regulations ('ESR') in UAE vide [Cabinet of Ministers Resolution No. 31 of 2019](#), a number of Regulatory Authorities (defined in [Cabinet Resolution No \(58\) of 2019](#)) have updated their licensees on the notification filing procedure and deadlines ([see our previous alert on this](#)). This alert captures a summary of the key ESR notification deadlines announced till date and also covers the latest update from the Dubai Multi Commodities Centre ('DMCC') and Dubai Airport Free Zone Authority ('DAFZA').

Summary of notification due dates and guidance issued till date

We have summarised the notification deadlines announced by UAE Regulatory Authorities and the guidance published till date in the table below.

Regulatory Authority	First notification due date	Guidance issued till date
Abu Dhabi Global Markets ('ADGM')	Previous due date of 31 March 2020 is no longer applicable. New due date is yet to be announced.	ADGM had updated its members on 3 Feb 2020 on certain key aspects of the scope and application of the ESR to registered businesses in ADGM (refer our previous alert for details).
Ajman Free Zone	30 June 2020	The Ajman Free Zone has shared a summarized ESR guidance and notification template with its licensees.
DAFZA	3 May 2020	DAFZA has shared a circular and a notification filing guide with its licensees (details provided below).

Regulatory Authority	First notification due date	Guidance issued till date
Dubai International Financial Centre ('DIFC')	Previous due date of 31 March 2020 is no longer applicable. New due date is yet to be announced (likely to fall in Quarter 2 of 2020).	DIFC has published guidance in respect of the ESR on its website . Refer our previous alert for more details.
DMCC	30 June 2020	DMCC has published updates in respect of ESR on its website (details provided below).
Dubai Silicon Oasis ('DSO')	Previous due date of 20 March 2020 is no longer applicable. New due date is yet to be announced.	DSO has shared a summarized ESR guidance and notification template with its licensees.
RAK Economic Zone	30 June 2020 ¹	No guidance published till date.
RAK ICC	30 June 2020	RAK ICC has shared its notification template and detailed notification filing guidance with its licensees. Refer our previous alert for more details.

DMCC – Notification due date announced

DMCC has recently [updated](#) all its members, stating that each DMCC member must provide an annual declaration of whether they have conducted any Relevant Activities in the preceding financial year, latest by **30 June 2020**. The notification template and guidance on filing procedure are expected to be published in April 2020.

DAFZA – Notification due date and filing guidance issued

DAFZA has also recently updated its members that all companies and branches of companies licensed by DAFZA must submit their economic substance notification by **3 May 2020** (irrespective of whether they conduct a Relevant Activity). The update also included a circular containing guidance on the ESR and a step-by-step guide on how licensees within its free zone can submit their economic substance notification. Some of the other key takeaways from this guide are:

- DAFZA will not advise a licensee on whether or not it conducts a Relevant Activity. Each licensee will need to make their own assessment in this regard and then take the necessary steps to comply with the ESR, as applicable.
- The notification must be completed via DAFZA's online CRM portal. Licensees must login to the CRM portal, click on the 'Services' tab and complete the ESR notification form in the 'Licensing Services' section.
- The ESR notification will include details of:
 - The licensee's financial year end;
 - Whether or not the licensee undertakes a Relevant Activity;
 - Whether or not the licensee earned any income from the Relevant Activity;

¹ <https://www.khaleejtimes.com/business/local/some-free-zones-extend-esr-submission-deadline-to-june-30>

- Whether any income generated by the Relevant Activity is totally or partially subject to a tax system outside of the UAE; and
- Whether or not the Licensee is exempt due to Government ownership.
- If the licensee is determined to be conducting one or more of the Relevant Activities, then they must complete the ESR Return via DAFZA's CRM portal within 12 months from the financial year end. DAFZA will notify its licensees when the ESR Return is made available on the CRM portal.
- Any records required to be kept and submitted to DAFZA pursuant to the ESR must be provided in English.

Other Regulatory Authorities

Other Regulatory Authorities including the Ministry of Economy, the Central Bank and Jebel Ali Free Zone Authority are yet to publish their notification due dates and filing guidelines.

The Ministry of Finance has also issued the [Relevant Activities Guide](#) today to provide additional guidance on the Relevant Activities and their associated Core Income-Generating Activities. We are analysing the guide in detail and will release our alert on this shortly.

Contact us

If you would like to understand the specific implications of the ESR to your business and undertaking requisite compliances, please feel free to get in touch with us.

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