

On 12 November 2020, the Department for International Tax Cooperation (“DITC”) in the Cayman Islands has released sample forms showing what entities are expected to provide if they are required to submit an Economic Substance Return for 2019. The documents released are for:

- (Full) Economic Substance Return
- Economic Substance Return: For Pure Equity Holding Company
- Economic Substance Return: Showing additional questions for High Risk Intellectual Property Companies
- Economic Substance Return: For Entity tax resident in another jurisdiction



## THE SAMPLE FORMS SHOW THAT THE ECONOMIC SUBSTANCE PROCESS IS NOW CLEARLY DIVIDED INTO TWO PARTS:



### 1. Submission of Economic Substance Notification (“ES Notification”)

The ES Notification identifies if the entity is a relevant entity carrying on relevant activity. It is a prerequisite to filing an Annual Return, which helps to ensure companies are in good standing.



### 2. Filing of Economic Substance Return (“ES Return”)

The ES Return is a mechanism for entities that have filed the ES Notification and confirmed they are conducting relevant activity to provide the required information and appropriate supporting evidence to the DITC. The DITC will use this to assess if the entity has satisfied the Economic Substance test.

## INFORMATION AND DOCUMENTATION TO BE SUBMITTED WITH THE ES RETURN

In addition to information about ownership, licensing, regulation and operation (including core income generating activity, assets and presence), the (Full) Economic Substance Return also seeks information showing evidence of the entities being directed and managed in the Cayman Islands as well as the submission of the entity’s financial statements or books of account for the relevant financial period.

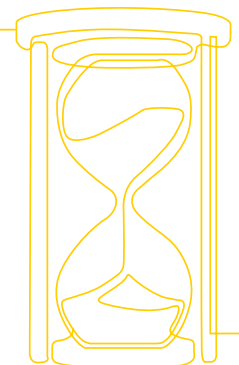
Whilst the ES Return for a Pure Equity Holding Company removes reference to a lot of the operational elements, there is still the need for the submission of the financial statements or books of account. This is something that entities submitting ES Returns for Full, Pure Equity Holding Company’s, or High Risk Intellectual Property relevant business must address if they don’t already have such information or documentation.

## DEADLINE FOR SUBMISSION OF THE ES RETURN

The deadline for submitting the ES Returns to the DITC has been extended to 28 February 2021 for those relating to High Risk Intellectual Property and having other tax residency while the deadline for the rest is 30 April 2021.

## STEPS TO BE TAKEN WITH REGARDS THE ES NOTIFICATION

Entities are reminded that the 2021 Annual Return process has commenced and all entities will be expected to make their 2020 ES Notification as part of this process. This is separate to the 2019 ES Return and will need additional attention to help ensure that the ES Notification is correct.



## How Tricor can help

As your company’s agent in the Cayman Islands, Tricor will assist you in completing and submitting the 2019 ES Return and 2020 ES Notification on your behalf unless you notify otherwise. In addition, we have developed a template for demonstrating compliance with the “books of account” requirement.

While the deadlines are approaching and the potential penalties for non-compliance are severe, for further information and guidance, please do not hesitate to contact our Tricor executives.

開曼群島國際稅務合作部（「DITC」）於2020年11月12日就須提交2019年經濟實質申報表的實體應提供的資料，發佈了示例表格。已發佈的文件包括：

- (完整) 經濟實質申報表
- 經濟實質申報表：純股權控股公司
- 經濟實質申報表：針對高風險知識產權的附加題問
- 經濟實質申報表：實體為另一司法管轄區的稅務居民



從該等申報表示例中可見，經濟實質申報現已明確分為兩個部分：



## 1. 提交經濟實質通知書

經濟實質通知書可識別實體是否為從事相關活動的相關實體，並為提交周年申報表的先決條件。提交周年申報表有助於實體確保良好的信譽。



## 2. 提交經濟實質申報表

透過經濟實質申報的機制，已提交經濟實質通知書並確認其正在從事相關活動的實體可向DITC提供所需的信息和適用的輔助性證明，以便DITC評估實體是否已滿足經濟實質測試的要求。

### 經濟實質申報表需要提交的信息和文件

除了關於所有權、許可證、監管與運營（包括產生主要收入的活動、資產和所在地）的信息外，（完整）經濟實質申報表還旨在收集能證明實體由開曼群島指揮和管理的證據，以及提交實體於有關年度的財務報表或賬目。

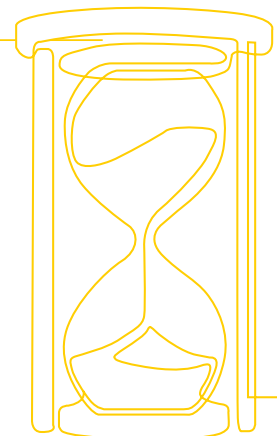
雖然純股權控股公司的申報表剔除了許多涉及運營的內容，實體仍然需要提交財務報表或賬目。如果實體要提交完整的、純股權控股公司的申報表或高風險知識產權相關業務的申報表，而仍未備有有關文件/資料的話，它們必須準備該等財務信息或文件。

### 經濟實質申報表的提交期限

提交申報表的截止日期已延長至：與高風險知識產權相關的實體和擁有其他區域稅務居民身份的實體為2021年2月28日，其餘的為2021年4月30日。

### 實體就經濟實質通知書需要採取的行動

實體應該注意到2021年度的周年申報程序已經開始，該程序的一部份，是所有實體應提交其2020年度的經濟實質通知。這項申報與2019年度的申報表屬兩項獨立的程序，懇請閣下格外注意以確保提交正確的通知。



### 卓佳能夠提供的協助

卓佳可以協助貴司完成申報表所需提供的信息，並且編制了一個清單，使客戶能夠查看所需提供的內容及格式。此外，我們還製作了一份範本以展示符合對賬目要求的規格。

鑒於提交申報表的截止日期將至，而且違規可能受到處罰，我們鼓勵客戶儘快與我們商討申報表的事宜。