



**Circular No. 003 of 2020  
Regarding the Economic Substance Regulation Deadline and FAQs**

Date: 18<sup>th</sup> June 2020

Dear Valued Customers,

Further to DACC Circular 2 of 2020 Regarding the Economic Substance Notification (which can be found on the Circular section of our website), we would like to inform Licensees that we have extended the deadline for the submission of the Notification to the **23<sup>rd</sup> of June 2020** and would like to share a few Frequently Asked Questions to help with some queries that you may be facing:

**1. Which businesses are required to file a Notification by 30th June 2020?**

Only businesses that have a financial year commencing on or after 1 January 2019 and ending on or before 31 December 2019 are required to submit a Notification by 30 June 2020.

**2. What if the business has a financial year that ends after 31 December 2019 (e.g. a financial year ending 31 March 2020 or 30 June 2020)?**

There is the possibility but no statutory requirement to file a Notification by the deadline, and no administrative penalties will apply if a Notification for reportable periods ending after 31 December 2019 is not submitted by the deadline.

**3. What if the business has a long first financial reporting period which started in 2018 and ended during 2019 (e.g. 1 June 2018 to 31 December 2019), is the business required to file a Notification for the period by the submission deadline?**

No, in the above example, the Licensee's first reportable period will be 1 January 2020 to 31 December 2020 and the first Notification would be due in 2021.

**4. What if a Licensee fails to submit a Notification by the deadline?**

Non-compliance with the obligation to file an Economic Substance Notification before the deadline may result in fines under the Economic Substance Regulation, ranging from AED 10,000 to AED 50,000.

**5. Which Licensees are not required to submit a Notification?**

Only DACC Licensees that have been dissolved or liquidated prior to the deadline for submission of the Notification are not required to file a Notification. All other Licensees are required to submit Economic Substance Notification, including those that are currently in the process of dissolution or liquidation.

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

Please submit the Notification to [economic.substance@dacc.ae](mailto:economic.substance@dacc.ae)

To view and download the UAE Economic Substance Regulations Relevant Activity Guide, kindly click [here](#).



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