

# PwC Economic Substance

## *Economic Substance Declarations - Are you prepared?*

The Economic Substance Act 2018 (as amended) (the “Act” or “ESA”) and Economic Substance Regulations 2018 (as amended) (the “Regulations”) were passed by the Bermuda Government in response to concerns raised by the European Union’s (“EU”) Code of Conduct Group (Business Taxation). The Act is effective from 1 January 2019 and sets out certain economic substance requirements for relevant entities by defining ‘Relevant Activity’ (“Relevant Activity”) and ‘core income generating activities’ (“CIGAs”).

Entities are required to file an Economic Substance Declaration (“ESD”), no later than six months after the last day of its relevant financial period. As such, the first ESD return for an entity with a 31 December year end is due by 30 June 2020.

For entities which will be claiming to be tax resident outside of Bermuda, evidence is still required to be filed. Evidence for Controlled Foreign Companies (“CFCs”) may require further analysis.

## How can we help you?

PwC can assist you with the preparation and filing of relevant material, including tax evidence and the ESD annual returns for your entities, by undertaking the following approach and related responsibilities:

- Analyze, challenge and comment on documents prepared by you which will include a consideration of the completeness of the documentation, where applicable.
- Preparing the ESD annual return by entering the information provided by your Management into the Portal.
- Conduct a pre-submission review to highlight any omissions or additional information requirements.
- Provide summary conclusions to your Board.
- Assist in the facilitation of Management’s review and approval of filings including Management approval prior to the filing being made.\*
- Upon final approval by Management, we can file the relevant documentation on your behalf.\*

*\*Only relevant for non-SEC restricted entities.*

### Deliverable

- Summary conclusions on the documentation to be submitted.
- An ESD annual return which brings together the outputs of the Services set out above.

### Fees

Please reach out for a fee quote. We will require further information on the number of entities that will be filed in order to estimate a fee quote.

## Connect with us



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