

Alert

Bermuda Economic Substance Declaration – E-Filing Portal Opens

As you will be aware, Bermuda enacted economic substance legislation requiring every company¹, LLC and partnership that has a separate legal personality² which is carrying on a “relevant activity”³ (each, a “relevant entity”) to file an economic substance declaration form (the Declaration Form) with the Bermuda Registrar of Companies (the Registrar). The Registrar will determine whether or not the applicable substance requirements are met, based on the information provided by the relevant entity.

The Registrar’s online portal (the ESD Portal) through which you will be able to file the information required to complete the Declaration Form is open for filings from Friday, 1 May 2020.

Every relevant entity is required to file its Declaration Form no later than six months after the last day of the first financial year of that entity which commenced on or after 1 January 2019. As such, for any such entity with a financial year which ended on 31 December 2019 and which carried on a “relevant activity” during this financial period, the filing deadline in respect of such period is 30 June 2020. Any relevant entity which fails to meet the filing deadline may be subject to sanctions imposed by the Registrar.

Next Steps

The Declaration Form can only be filed via the ESD Portal. For your convenience, you can access the ESD Portal via the following web link: www.registrarofcompanies.gov.bm

The Registrar has also launched the following instructional videos in relation to the ESD Portal:

- The video detailing how to set up a user and organisation account to submit a Declaration Form can be found [here](#).
- The video demonstrating how to prepare a new Declaration Form on the ESD Portal can be found [here](#).

Conyers has been closely involved with the implementation of Bermuda’s economic substance legislation as well as the ESD Portal. We are available to assist you should you require advice in relation to completing and filing the Declaration Form.

If you would like assistance with completing and filing your Declaration Form or require legal advice with respect to the Bermuda economic substance requirements generally, please reach out to your usual Conyers contact or one of our lawyers listed below.

¹ Including permit companies (overseas companies with a permit to carry on business from Bermuda)

² Including exempted partnerships, exempted limited partnerships and overseas partnerships

³ “Relevant activity” means carrying on as a business any one or more of the following: banking, insurance, fund management, financing and leasing, headquarters, shipping, distribution and service centres, intellectual property and holding entity (as each term is defined in the economic substance legislation). The Registrar will consider that a “relevant activity” is being carried on as a business where the entity earns any gross income in respect of such activity during the relevant financial period. The Registrar has further confirmed that “gross income” refers to the gross revenue earned by a relevant entity in respect of a relevant activity (i.e. income before any deduction for expenses) and should not be read as “gross profit” (i.e. income less cost of goods sold).

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For further information please contact: media@conyers.com.