

## Alert

### Hard Deadline for Filing 2019 Economic Substance Return Upcoming on 30 April 2021

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Relevant entities carrying on all types of relevant activity (except for those carrying on intellectual property business) under the International Tax Co-operation (Economic Substance) Act (2021 Revision) (“ES Act”) with a financial year end between 31 December 2019 – 30 April 2020, must file an economic substance return (“ES Return”) by the 30 April 2021 deadline set by the Cayman Islands Department for International Tax Cooperation (DITC). There is no ability to extend the date for filing an ES Return beyond the DITC deadline.

Where a relevant entity that is required to satisfy the economic substance test fails to prepare and submit to the DITC the required ES Return within the specified time, the DITC shall by notice in writing impose a penalty of CI\$5,000/ US\$6,100 and an additional penalty of CI\$500/ US\$610 for each day during which the failure to comply continues. The penalty must be paid within 30 days, subject to the permitted appeal process.

DITC’s online portal remains open for the submission of filings that were due on 28 February 2021. Entities that were subject to the 28 February 2021 filing deadline will now be subject to penalties for late filings.

#### Economic Substance Reporting Deadlines – All Entities

We advise that all entities take note of the following economic substance reporting deadlines as set out below:

Period End Date (for the purposes of the Economic Substance (“ES”) Return)	Economic Substance Obligation	Deadline
31 December 2019 – 30 April 2020	ES Return for all types of relevant activity except for Intellectual Property Business	<b>30 April 2021</b>
1 May 2020 - onwards	ES Returns	12 months after the period end date
31 December 2019 – 29 February 2020	ES Return for relevant entities carrying on the relevant activity of Intellectual Property Business and Tax Resident Outside the Islands form (“TROs”).	<b>28 February 2021 (now passed)</b>

1 March 2020 - onwards	ES Return for relevant entities carrying on the relevant activity of Intellectual Property Business and TROs.	12 months after the period end date
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Please refer to our previous [alert](#) for further notification, reporting and filing guidance under the ES Act.

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