

## Alert

### Bermuda Filing Extension to 30 September 2022 for Economic Substance Declarations for in-scope entities which earned no gross revenue

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The Bermuda Registrar of Companies (the “Registrar”) issued an industry notice on 17 August 2022 confirming that changes required to address certain system errors within the Registrar’s Online Register Portal (the “Portal”) have now been completed. Entities in scope of the Economic Substance Act 2018 (the “ES Act”) which earned no gross revenue from a “relevant activity” during the relevant financial period ending 31 December 2021 are now able to submit the requisite “nil” Economic Substance Declaration Form (a “Declaration Form”) via the Portal. The filing deadline for Declaration Forms for such entities has been further extended from 31 August 2022 to 30 September 2022.

The Registrar has recently initiated desk-based reviews, requests for information and onsite inspections of entities to ensure compliance with the economic substance requirements. Conyers would be pleased to advise you on what to expect from the Registrar’s compliance review process and how to plan for future compliance.

#### Relevant Activities

The following are relevant activities, as defined by the ES Act:

- Banking
- Insurance
- Fund management
- Financing and leasing
- Headquarters
- Shipping
- Intellectual property
- Distribution and service centres
- Holding entity

#### Compliance Reviews

In an industry notice of 16 May 2022, the Registrar announced its intention to immediately increase the number of desk-based reviews and onsite inspections of entities regarding their compliance with the economic substance requirements. Such compliance reviews are a vital way for Bermuda to meet international regulatory standards. The Registrar has recently initiated this compliance review process, with entities receiving requests for information in connection with Declaration Forms filed in respect of previous years or notices of onsite inspection of the entity’s corporate and other records in respect of its economic substance obligations.

Please reach out to your Conyers contact if you have any questions about compliance reviews.

#### Planning for Your Future Compliance

Where an entity (i) is not a non-resident entity, (ii) has conducted a relevant activity and (iii) earned gross revenue in a relevant financial period in respect of such activity, its economic substance requirements will depend on the nature of the relevant activity and the particular circumstances of the entity.

Most entities are now several months into the relevant financial period that will be the subject of their 2023 Declaration Form filings. Compliance with the economic substance regime for in-scope entities can require careful planning, and clients are encouraged to contact Conyers for advice regarding how to achieve their commercial goals while ensuring compliance with the economic substance regime.

Read our [overview of economic substance requirements for Bermuda-based entities](#). We recommend seeking legal advice in Bermuda concerning the individual situation of any entity or proposed entity.

## How We Can Help

Conyers has been closely involved with the implementation of Bermuda's economic substance legislation. The Declaration Form can only be filed via the Portal, which is accessed via the following web link: [www.registrarofcompanies.gov.bm](http://www.registrarofcompanies.gov.bm)

Our lawyers have advised and assisted our clients with their assessment of the impact of the economic substance requirements, as well as the filing of their Declaration Forms. In so doing, we have acquired an unrivalled understanding in Bermuda of the economic substance requirements of various types of entity, across all relevant activities.

Please reach out to your usual Conyers contact or our economic substance team at [substanceinfobda@conyers.com](mailto:substanceinfobda@conyers.com) for help with:

- determining the status of an entity for economic substance purposes
- advising on the compliance of an entity with the economic substance requirements
- clarifying the reporting obligations of an entity and advising on appropriate record keeping
- navigating the Portal and completing and filing the Declaration Form, particularly in light of recent updates
- advising on preparing for desk-based reviews and onsite inspections
- planning your future compliance with the economic substance regime

If you would like Conyers to assist with any of the above, please contact us as soon as possible.

## Corporate Services

In some instances, entities required to meet economic substance requirements may benefit from our fiduciary services, including local directorship services. Contact us to find out if we can assist you in fulfilling your obligations under the economic substance regime.

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