

Economic Substance Notification (ESN) – Practice Points

1 - How do I submit the ESN?

The ESN is submitted via the General Registry system CAP.

Entities which file on CBP will note an additional question on their annual return (AR) this year, as follows:

Check if you are carry on any of these activities:

- 1 - Banking Business*
- 2 - Distribution and Service Centre Business*
- 3 - Financing and Leasing Business*
- 4 - Fund Management Business*
- 5 - Headquarters Business*
- 6 - Holding Company Business*
- 7 - Insurance Business*
- 8 - Intellectual Property Business*
- 9 - Shipping Business*

There is no separate ESN form for entities on CBP.

2 - How do I reset my CAP password?

The DITC cannot assist with passwords for accessing CAP. Please send your request to the CORIS help desk: Corishelpdesk@gov.ky.

Please note that password reset requests must be submitted by your CORIS Administrator.

3 - How do I get access to CAP?

The DITC cannot assist with any queries on accessing CAP. Please visit Registry's website for details: www.ciregistry.gov.ky.

Please note that access to CAP is only available to locally licenced service providers.

4 - Where can I find the ESN once I am logged into CAP?

Manual Form – please refer to the detailed steps outlined in the User Guide ([Linked here](#)).

Bulk Upload - please refer to the detailed steps outlined in the User Guide ([Linked here](#)).

5 - Is there a PDF version of the ESN available?

No, there is no PDF version available as the ESN is a Smart Form such that, each question depends on the answer to the previous, which will not be the same for each entity.

There are many useful reference documents on the TIA website which include: ESN Decision Tree ([linked here](#)) and ES Information Required ([linked here](#)).

6 - Is there a fee to file the ESN?

No.

7 - Is the ESN an annual requirement?

Yes.

8 - What is the deadline to submit the ESN?

The ESN is a prerequisite to filing the AR. The deadline is the same as the AR.

9 – Is there a penalty for filing the ESN late?

The TIA will not impose a separate penalty for the late filing of the ESN. The entity will be penalized through the AR process.

10 – Is there a delay or approval process after the ESN is filed before the AR can be filed?

No, once the ESN is filed correctly with no errors, the AR can immediately be filed.

11 – How do I know the ESN was successfully filed? Where can I find confirmation?

Process to check Bulk File import Status:

- a. Click on “Manage” tab and then select “Contact Admin”
- b. Go down to the Import Message section on the page
- c. This will show if the ESN Bulk file was uploaded into the CAP system successfully
- d. Keep in mind that this will show the number of economic substances for all Entities that you filed inside the bulk file
- e. The system will show if there were any data format errors inside bulk upload file
- f. Click on Failures Icons to see errors (If any)

Process to check Economic Substance Status:

- a. Click on “Manage” tab and then select “Annual Return Batches”
- b. Under the Economic Substance Status section the system will display all the completed ESN files for the completed Entities
 - i. If you see the Entity listed, it means the ESN upload was successful and you can proceed to file the Annual Return for that specific Entity.
 - ii. Please note that you do not have to wait on the DITC Team to “Approve” the filings. Once the system is showing the ESN as filed (as per Example below) you can proceed to file your Annual Return for that Entity.
- c. You can export the list of Entities by selecting the date you uploaded the ESN bulk upload file and then click in Export. This will save all the details to a CSV file that you can then open in Excel.

You will not receive an email with confirmation status.

12 - If an entity was terminated in 2019, is it required to submit the notification?

Yes, as outlined in the guidance notes an entity will, so long as it exists, continue to have any obligations which the ES Law imposes on it. Practically, the general rule with regard to the ESN is that where the entity is still on CAP, the ESN is required. Where the entity has already become inactive in CAP such that it is not possible to file the ESN, the TIA agrees that the ESN would not be available for filing and no further action is required.

In terms of the ES return, for year 1 there will likely be an option for the entity to state that it has terminated and the date of same. Where the entity has already terminated before the portal for filing the ES return become available, the completion of the ES return will not be required. We expect this to only be a year 1 issue as in future years the ES return will be available for filing before the entity terminates.

13 – How do I correct an error on an ESN that has been submitted?

Manual Form – please refer to the detailed steps outlined in the User Guide ([Linked here](#)).

Bulk Upload - please refer to the detailed steps outlined in the User Guide ([Linked here](#)).

The option to correct an error will only be available until 31 March each year. After this date, the entity should contact the TIA (CaymanESportal@gov.ky) if a change is required.

14 – How should an entity with zero relevant income file the ESN?

The entity should follow the appropriate steps per the user guide to classify itself as normal in the ESN. Relevant income is only reportable when filing the ES Return (due 12 months after the year-end).

For example, a relevant entity doing a relevant activity i.e. financing and leasing will file the ESN on this basis. When filing the ES Return next year, the entity reports zero relevant income such that no further information is required.

15 – What happens where the RO changes after the ESN is filed?

The new RO should obtain confirmation that the ESN was filed from outgoing RO. The new RO will not be able to see this information on CAP.

Where the ESN shows a relevant entity doing a relevant activity or an entity doing a relevant activity which is claiming the tax resident outside the Islands exemption and the outgoing RO was selected as the point of contact for access to the portal, the new RO should contact the TIA to update the information. Email address is CaymanESportal@gov.ky.

16 – What email address is automatically populated when RO is selected as point of contact for relevant entity doing a relevant activity or an entity doing a relevant activity which is claiming the tax resident outside the Islands exemption on the ESN?

The email address that the RO used at registration.

The RO should contact General Registrar to ensure the email details are current. Email address is Corishelpdesk@gov.ky.

The TIA encourages all ROs to ensure this email address is current to ensure important correspondence on next steps is received.

17 – The AEOI portal is now offline so I cannot check my FI number. How should I proceed?

The TIA would expect that all service providers and clients would have the FI number available in their files as it is required in almost all correspondence with the TIA. This unique number is allocated when the FI registers and does not change for the lifetime of that FI.

Where, in exceptional circumstances, the client or service provider has failed to keep adequate records, the TIA can facilitate the provision of the FI number. Given the highly sensitive and confidential nature of this data, we can only provide the information in hardcopy to the PPOC directly. As a policy the TIA never send both the FI name and FI number in the same correspondence. To obtain this data, the PPOC will need to write to us directly to make this request and the letter will need to include a statement confirming that the PPOC has not maintained a record of this information itself. Our team will prepare the document for collection

by the PPOC (who will be required to present ID). The document will provide a list of all FI's associated with that PPOC.

Where the PPOC is not on Island, the PPOC will need to provide a letter similar to that outlined above but including a statement of the person they are authorizing to collect the information on their behalf. That authorized person will need to present this same letter to us along with ID before we can provide the data. Please note that we will be providing a list of FIs per PPOC which will not be distinguished by registered office.

The letter should be emailed to CaymanESportal@gov.ky.

18 - The entity changed its activity during the year. Which activity should be disclosed on the ESN.

The entity should disclose the activity it is doing at year end on its ESN.

19 – How do I file the ESN for an SP which is not separately registered with GR?

The ESN currently does not have the functionality to allow the user to add entities which are not registered with General Registry. This is something which may be considered for Year 2.

For now, the SPC should answer based on the situation of an SP which requires a further filing under the ES Law e.g. an entity which is required to file the ES Return or to provide information to prove the Tax Resident Outside the Islands exemption. The DITC will add functionality to the new portal which is currently under development to ensure that separate SPs can be identified when filing this information.

For example an SPC has 10 SPs, nine are out of scope for the ES Law but one is carrying on a relevant activity and claiming the tax resident out the Islands exemption. The SPC should answer the ESN questions as follows:

Did the entity carry on a *Relevant Activity* as defined in the ES Law 2018, during the year? Yes

Is this a confirmed *Relevant Entity* as defined in the ES Law 2018? No

What type of exemption applies? Tax resident outside the Islands

The entity should then provide the appropriate point of contact for providing the information to prove the exemption. The portal to accept this information should be available in July 2020, once the portal is available the SPC will have the functionality to specify which SP it is filing the information on behalf of. Further information on this will follow on the portal user guide in due course.