

Cayman Islands Update: Economic Substance Reporting for an Entity Tax Resident in Another Jurisdiction

The Department for International Tax Cooperation ("DITC") has advised the industry that the forms for an Entity Tax Resident in Another Jurisdiction ("TRO Forms") for successive reporting periods, i.e. a financial year following a financial year that a TRO Form was already submitted by an entity, are now being accepted via the DITC Portal.

Responsible Persons, or appointed Secondary Users, are now able to submit the TRO Form for a successive reporting period by logging into the DITC Portal.

The submission deadline for TRO Forms is 12 months from the last date of the reporting period being reported on (regardless of the 'relevant activity(ies)' conducted). For example, the submission deadline for entities required to submit a TRO Form for a reporting period / financial year that ended on 31 December 2020 is **31 December 2021**.

An updated version of the DITC Portal User Guide¹ is available and provides additional guidance on how to complete and submit a TRO Form for a successive reporting period.

The DITC has advised in the User Guide that if a TRO Form has been submitted for a prior period then the TRO Form for the subsequent period will

be populated with certain information from the corresponding ESN (e.g. relevant activity(ies)) and certain information from the TRO Form for the prior period (e.g. the 'jurisdiction of tax residence'). However, other fields will not be populated with any information and will be required to be completed. It is possible to manually amend information on the TRO Form, however, additional evidence may be required (e.g. where 'TIN issued by' has changed).

The DITC has further advised that the Responsible Person, or appointed Secondary User, must pay attention to the submission status of the TRO Form. Where the TRO Form has been rejected and has a status of 'Submission Failed', that person will need to access the TRO Form on the DITC Portal, review the rejection message and take the necessary actions to rectify the TRO Form (retrieve, amend and resubmit the TRO Form).

It is also possible that the DITC will have reached out directly to the Responsible Person to fix any deficiencies that have arisen in their review of the initial TRO Form. The DITC has also advised that if deficiencies are flagged in the initial TRO Form, they can be remediated by providing an explanation in the 'other' section of the subsequent TRO Form and that any other changes in circumstances should also be reflected in the subsequent TRO Form.

¹https://www.ditc.ky/wp-content/uploads/DITC_Portal_User_Guide.pdf

Further Assistance

If you have any questions relating to ES Returns, the DITC Portal or ES generally, including accounting and / or filing services for ES Returns for holding companies, please reach out to any of the below members of our dedicated Regulatory & Compliance team or your usual Maples Group contact.

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