



UAE Economic Substance Regulations – Regulatory Authorities notified

Summary

Further to the issuance of Cabinet Decision on [Economic Substance Regulations](#) ('ESR') and the [additional guidance](#), UAE has now released the much anticipated [Cabinet Resolution No \(58\) of 2019](#) on "***Determining the Regulatory Authorities concerned with the businesses (i.e. Relevant Activities) as mentioned in the preceding issuances***". Under the ESR, notification by the licensee of a relevant activity has to be made to the Regulatory authority with effect from 1 Jan 2020.

Regulatory authorities have now been notified for each relevant activity and, as expected, the same include the relevant free zone authority (including financial free zone) that has issued the license for the relevant activity. We would now expect each notified Regulatory Authority to issue its own guidance for the licensees on the format and actual due date for filing the notification.

As a reminder, UAE entities carrying out certain 'Relevant Activities' will need to report compliance with the regulations (linked to state core income generating activities, direction and management, 'adequate' people, assets, premises and expenditure tests, in the UAE) on an annual basis, to respective governing **Regulatory Authorities** which, until now, were due to be ascertained. Our detailed alerts on the ESR can be accessed [here](#). Though the notification/ reporting forms and manner of filing are yet to be specified, the information required to be submitted therein is provided in Article 8 of the ESR.

The current resolution brings clarity for both the licensing authorities and their member entities, across UAE, on planning their next course of action for implementing the ESR.

The Regulatory Authorities listed for the nine Relevant Activities are as follows:

Relevant Activity	Concerned Regulatory Authority
Banking Business	UAE Central Bank for banking business regulated by the said Bank
	The competent authority in the Financial Free Zone for the banking business carried out therein
Insurance Business	Insurance Authority for insurance business regulated by the said Authority
	The competent authority in the Free Zone for the insurance activities carried out therein
	The competent authority in the Financial Free Zone for the insurance activities carried out therein
Investment Fund Management Business	Securities and Commodities Authority for investment fund management business regulated by the said authority
	The competent authority in the Free Zone for fund management business carried out therein
	The competent authority in the Financial Free Zone for fund management business carried out therein
Lease Finance Business	UAE Central Bank for the lease finance business regulated by the Central Bank
	The competent authority in the Free Zone for lease finance business carried out therein
	The competent authority in the Financial Free Zone for lease finance business carried out therein
Headquarters Business	Ministry of Economy for headquarter business regulated by the said Ministry
	The competent authority in the Free Zone for the headquarter business carried out therein
	The competent authority in the Financial Free Zone for the headquarter business carried out therein
Shipping Business	Ministry of Economy for shipping business regulated by the said Ministry
	The competent authority in the Free Zone for shipping business carried out therein
	The competent authority in the Financial Free Zone for shipping business carried out therein

Relevant Activity	Concerned Regulatory Authority
Holding Company Business	Ministry of Economy for holding company business regulated by the said Ministry
	The competent authority in the Free Zone for holding company business carried out therein
	The competent authority in the Financial Free Zone for holding company business carried out therein
Intellectual Property Business	Ministry of Economy for intellectual property business regulated by the said Ministry
	The competent authority in the Free Zone for intellectual property business carried out therein
	The competent authority in the Financial Free Zone for intellectual property business carried out therein
Distribution and Service Centre Business	Ministry of Economy for distribution and service centre business regulated by the said Ministry
	The competent authority in the Free Zone for distribution and service centre business carried out therein
	The competent authority in the Financial Free Zone for distribution and service centre business carried out therein

If you would like our assistance in understanding the implications of the ESR for your business, please feel free to get in touch with us.

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