

## MARSHALL ISLANDS OPENS PORTAL FOR ENTITIES TO REPORT ON ECONOMIC SUBSTANCE

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On July 1, 2020, the Marshall Islands registry opened its online portal for entities to report compliance with the relevant economic substance regulations (the “ESR Report”). For a more detailed description of the economic substance regulations, see our June 2019 article, [Marshall Islands – Economic Substance Requirements for Shipping Companies](#), and our October 2019 article, [Marshall Islands Economic Substance Guidelines Provide Clarity for Shipping](#). In order to submit an ESR Report, each entity will receive a special PIN from the registry to access the online portal.

All ESR Reports must be submitted within 12 months of the anniversary date of the formation of the entity that falls on or after July 1, 2020. For example, if a corporation was incorporated on August 1 of any year, then its deadline to submit its first ESR Report would be August 1, 2021; if a corporation was incorporated on May 1 of any year, then its deadline to submit its first ESR Report would be May 1, 2022. The deadline for subsequent ESR Reports will continue to be the entity’s anniversary date. The ESR Report must be completed for the entity’s financial year that immediately precedes the year in which the ESR Report is submitted, beginning with the financial year which ends in 2020. Therefore, if an entity has a fiscal year that ends on December 31, it would not be able to submit its first ESR Report until January 1, 2021.

The online portal is generally set up as a list of yes/no questions and tick-the-box responses, although certain documents may be requested to be provided based on certain responses. The responses to each question will dictate whether additional questions are asked and what those questions will be, or whether the entity has completed the ESR Report.

If you have any questions about completing the ESR Report, or Marshall Islands economic substance regulations and their analysis in general, please contact Steven Hollander or Daniel Pilarski.

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