



REPUBLIC OF THE MARSHALL ISLANDS (RMI) ECONOMIC SUBSTANCE REGULATIONS (ESR) WEBINAR

21 July 2021



AGENDA



Housekeeping Notes and Moderator

Richard Greiner, *Partner*
(BDO LLP, United Kingdom)



RMI Economic Substance Regulations 2018

Jonathan Silver, *Partner (Maples Group,
Hong Kong), RMI Licensed Attorney*



Introduction to Economic Substance in the RMI

Alison Wilson, *Senior International Counsel,
Head of Office – Long Beach (International Registries, Inc. (IRI))*



RMI ESR Reporting Portal

Verity Maloney, *Corporate Business
Development Manager*
(International Registries (U.K.) Limited)



INTRODUCTION TO ECONOMIC SUBSTANCE IN THE RMI

Presented by:

Alison Wilson, Senior International Counsel, Head of Office – Long Beach

21 July 2021



INTERNATIONAL REGULATORY ENVIRONMENT

Economic substance requirements globally are a result of European Union (EU) and the Organisation for Economic Co-operation and Development (OECD) initiatives to combat harmful tax practices



- **OECD**
 - Currently has a rating of **Largely Compliant**
- **EU**
 - EU implemented its own initiative on economic substance requiring non-EU countries to implement economic substance legislation
 - Currently **whitelisted**



ESRs

- **When did the ESRs become effective?**

- Effective as of 1 January 2019
- *However*, the RMI and EU continued to negotiate amendments to the ESRs and the RMI removal from the blacklist throughout 2019
- RMI officially removed from EU blacklist on 4 October 2019



- **Who is affected?**

- ESRs are applicable to all relevant entities that perform a relevant activity

- **RMI is not alone**

- Similar requirements in Cayman Islands, BVI, Bermuda, etc. as a result of the EU and OECD measures



THANK YOU

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MAPLES
GROUP

Introduction to the Republic of the Marshall Islands Economic Substance Regulations

Jonathan Silver, Partner

21 July 2021

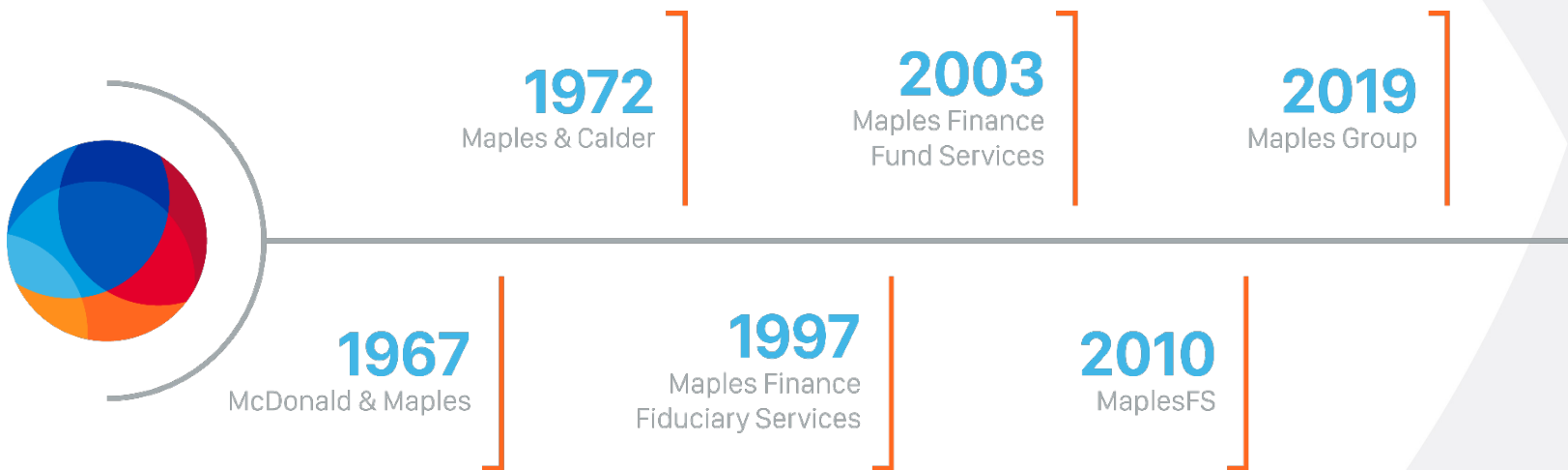
Contents

- About the Maples Group
- Where is the Republic of the Marshall Islands
- Economic Substance Regulations (or ESRs)
- Purpose of ESRs
- Compliance
- Reporting Requirements
- Relevant Entities and Relevant Activities
- ESR Test
- Notification and Reporting Obligations
- Speaker Biography

About the Maples Group

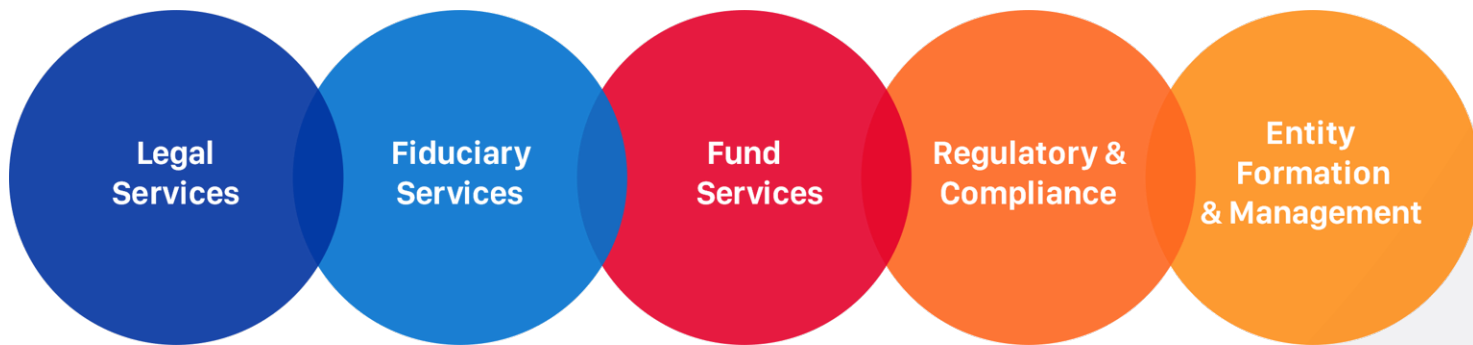
Group History

The Maples Group has evolved over the past half century by exceeding customer expectations and creating new services to meet their shifting needs



Maples Group

- Leading service provider offering clients a comprehensive range of legal services
- Independent provider of fiduciary, fund services, regulatory and compliance, and entity formation and management services
- 2,000+ lawyers and professionals globally
- 16 offices strategically located in the Americas, Asia, Europe and the Middle East



Where is the Marshall Islands?



Legal advice and tax advice

- Before we begin, a quick note.
- This presentation is an overview only; please seek legal and tax advice.

Economic Substance Regulations 2018, as amended



Purpose of the Economic Substance Regulations

- Non-resident domestic business entities registered in the RMI are governed by the RMI Associations Law. The RMI Associations Law is primarily modelled on the corporate laws of the US state of Delaware and statutorily exempts all non-resident domestic entities from taxes in the Marshall Islands.
- All non-resident domestic entities ("NRDEs") and foreign maritime entities ("FMEs") which meet the definition of a 'relevant activity' and which carry on a business which falls within the definition of a 'relevant activity' are within the scope of the ESRs with respect to that relevant activity.
- The ESRs introduce certain reporting and (if necessary) economic substance requirements for 'relevant entities' conducting 'relevant activities'. Both terms ('relevant entities' and 'relevant activities') are defined in the ESRs and are discussed further in this presentation.
- Every NRDE and FME is obliged to make certain notifications (in the form of an Economic Substance Report) to the Registrar, the first such annual report being due no later than 12 months after the last day of the relevant entity's first financial year commencing on or after 1 January 2019.

Importance of complying with the ESRs

- The ESRs introduce an annual notification obligation for all NRDEs and FMEs, to submit an Economic Substance Report ("Notification") by means of an annual notification to the Registrar (the "ESR Report") using a web-based portal administered by the Registrar, which went live for reporting on 1 July 2020 (the "Portal"). The Registrar has issued guidance entitled "Economic Substance Reporting Portal User Guide" to assist NRDEs and FMEs with their ESR Report filings on the Portal.
- The ESR Report is a concurrent requirement to paying the invoice to maintain an NRDE's or FME's annual good standing with the Registrar. An entity which has not (i) completed its ESR Report for the relevant timeframe within the deadline; and (ii) settled its annual invoice with the Registrar, will not be considered to be in good standing until both the ESR Report has been made and the annual invoice paid. There may be penalties for a late ESR Report and/or settlement of invoices. THIS WILL AFFECT YOUR ABILITY TO RAISE FINANCING AND/OR TO MAINTAIN EXISTING REPS AND WARRANTIES IN YOUR FINANCE DOCUMENTS.
- IMPORTANT: Failure to make the ESR Report may lead to further penalties and/or the entity being dissolved. Penalties are set out in Sections 6 and 7 of the ESRs.
- CHECK THE DEADLINE IN THE LATEST INVOICE

Reporting requirements

- Each NRDE and FME will have 12 months from its next anniversary date falling after 1 July 2020 to complete its first ESR Report. Each subsequent year, the deadline will be 12 months from the entity's anniversary date (i.e. anniversary of incorporation). All entities will receive notice of their reporting period and deadline for the ESR Report with each annual invoice. (Note that there is a fee payable for each ESR Report. This fee is charged up front – the ESR Report may be made at any time during the entity's reporting period).
- The ESR Report should be completed for the immediate past financial period, i.e. the financial period which has closed prior to completing the ESR Report, beginning with the financial period which ends in 2020.
- Each entity will log on to the Portal with the Entity Number and Unique PIN found on the Economic Substance Reporting Information and PIN page which will be sent with that entity's annual invoice.
- A receipt and confirmation number will be generated immediately upon submission and a Certificate of Economic Substance Reporting Compliance (CESRC) will be provided within 72 hours to the email address provided to the Registrar by the person (or entity) registered with the Registrar to make the ESR Report filing on the Portal.

What is a “relevant entity”?

- The definition of 'relevant entity' is:
 - (a) a corporation, partnership, limited partnership, or limited liability company, other than a resident domestic corporation, partnership, limited partnership, or limited liability company, that is incorporated or formed under the Business Corporations Act (BCA), Revised Partnership Act, Limited Partnership Act, or Limited Liability Company Act, **unless its business is centrally managed and controlled outside the Republic and it is tax resident outside the Republic;** or
 - (b) a corporation, partnership, limited partnership, limited liability company, or other entity incorporated or formed outside of the Republic (a "foreign entity") registered under the under the BCA, Revised Partnership Act, Limited Partnership Act, or Limited Liability Company Act, including a foreign maritime entity, whose business is centrally managed and controlled in the Republic, **unless the foreign entity is tax resident outside the Republic;**
- If an NRDE is tax resident in the Marshall Islands, then it will a relevant entity, as is an FME that is centrally managed and controlled in the Marshall Islands however the Registrar is not (currently) aware of any FMEs that are centrally managed and controlled in the RMI.
- Note my bold highlight – this is of crucial importance.

Tax resident outside the Marshall Islands

- An NRDE will **not** be considered a relevant entity, and will therefore fall outside of the scope of the ESRs, if the entity can provide objective evidence to the Registrar that it is tax resident in a jurisdiction outside of the Marshall Islands. Such evidence will be gathered by the Registrar during the ESR Report filing process.
- Similarly, where an FME is centrally managed and controlled from within the Marshall Islands but can provide objective evidence to the Registrar (again, during the ESR Report filing process) of tax residency outside the Marshall Islands, it will not be considered a relevant entity. As mentioned, the Registrar is (currently) not aware of any FME that is centrally managed and controlled from within the RMI.
- The Economic Substance Reporting and Guidance provides:

"An NRDE will be considered a non-relevant entity, and outside of the scope of the ESRs, if the entity can provide objective evidence to the Registrar that it is tax resident in a jurisdiction outside of the [Marshall Islands]. Similarly, where an FME is centrally managed and controlled from within the [Marshall Islands], it will be considered a non-relevant entity if the FME can provide objective evidence of tax residency outside of the [Marshall Islands]."

Objective evidence of tax residency

- In respect of the "objective evidence of tax residency", the Economic Substance Reporting and Guidance explains:

"The Registrar may regard an entity as tax resident outside the [Marshall Islands] if the entity is subject to the tax regime of another jurisdiction by reason of its domicile, residence, or any other criteria of a similar nature. The Registrar will require any entity claiming to be tax resident outside the [Marshall Islands] to produce satisfactory evidence such as a tax identification number, tax residence certificate, assessment or payment of a tax liability, or other proof the entity is subject to the tax regime of another jurisdiction. A disregarded entity for United States (US) income tax purposes (or other similarly treated entities in other jurisdictions) may produce as objective evidence a signed statement under penalty of perjury from an external tax advisor or "C" level officer stating that all of that entity's income has been included on the corporate tax return of the parent company."

Relevant Activities

- The ESRs apply economic substance requirements for 'relevant entities' to the following categories of geographically mobile relevant activities previously identified by the OECD (and adopted by the EU):
 - (a) distribution and service center business;
 - (b) financing and leasing business ;
 - (c) fund management business;
 - (d) headquarters business;
 - (e) holding company business;
 - (f) intellectual property business;
 - (g) shipping business;
 - (h) banking business*; and
 - (i) insurance business*.

*not permitted so of limited relevance – see next slide.

Relevant activities – what is prohibited

The BCA stipulates that:

- every non-resident domestic corporation, partnership, limited partnership, and limited liability company is prohibited from carrying on the business of banking.
- every non-resident domestic corporation, partnership, limited partnership, and limited liability company is prohibited from carrying on the business of granting policies of insurance or assuming insurance risks.

The economic substance test (ES Test)

- The ESRs will apply to each entity on and from the date of its incorporation in the Marshall Islands.
- The ESRs require each NRDE and FME to provide any reports, returns, or other information reasonably required by the Registrar in order to assist the Registrar in making a determination under Section 4(8) of the ESRs - and what the consequences of that may be (if any).
- Directors must undertake an analysis of the ESRs and determine if the entity is a relevant entity (or not) and whether (or not) it is undertaking a relevant activity.
- If it is a relevant entity conducting a relevant activity then (subject to certain reduced substance provisions), it must satisfy economic substance requirements i.e. have economic substance in the Marshall Islands.

The ES Test itself

- A 'relevant entity' carrying out a 'relevant activity' is required to comply with the ES Test set out in section 4 of the ESR (the "ES Test") with respect to such relevant activity.
- Accordingly, the required analysis is as follows:
 - (a) is an entity a 'relevant entity'?
 - (b) if so, is the relevant entity carrying out a 'relevant activity'?; and
 - (c) if so, what is required for it to comply with the ES Test?

Satisfying the ES Test

- A relevant entity satisfies the ES Test in relation to a relevant activity, if the relevant entity:
 - (a) is directed and managed in the Marshall Islands in relation to that relevant activity; and
 - (b) having regard to the level of relevant activity carried out in the Marshall Islands -
 - (i) has an adequate number of qualified employees in the Marshall Islands (whether or not employed by the relevant entity or by another entity and whether on temporary or long-term contracts)
 - (ii) has an adequate physical presence in the Marshall Islands;
 - (iii) has an adequate amount of expenditure incurred in the Marshall Islands; and
 - (c) conducts Marshall Islands "core income generating activities" (or "CIGAs") in relation to that relevant activity (as that phrase is set out in Section 5 of the ESRs).
- Note that if a relevant entity is carrying on the relevant activity of a holding company business then a reduced ES Test applies, as further discussed in a moment.
- CIGAs are activities that are of central importance to a relevant entity in terms of generating income.

Shipping business

- Under the ESRs, the relevant activity of shipping business means the **operation of ships in international traffic for income from the transport of passengers or cargo*** and includes any of the following activities where the relevant activity is directly connected with, or ancillary to, such operation:
 - i. the rental on a charter basis of a ship;
 - ii. the sale of tickets or similar documents and the provision of services connected with the sale of tickets or similar documents, either for the enterprise itself or any other enterprise;
 - iii. the use, maintenance, or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise; or
 - iv. the management of the crew of a ship;
 - v. the registration of a ship;
 - vi. the recording of a financial instrument or lien in relation to a ship;
 - vii. the ownership of a ship;
 - viii. the financing of a ship;
 - ix. the obtaining of statutory certificates for a ship;
 - x. the surveying of a ship; or
 - xi. the provision of services related to the foregoing

(*note my highlight in bold)

Ship

- Importantly, under the ESRs, the definition of "ship" means a vessel registered in the Republic pursuant to the Maritime Act 1990, Title 47 of the Marshall Islands Revised Code (MIRC) (i.e. a Marshall Islands flagged ship/vessel).

CIGAs relating to shipping business

- in determining economic substance in the context of shipping business, the Registrar recognizes that significant CIGAs within shipping are performed in transit outside of the RMI, and that the value creation attributable to the CIGAs that occur from a fixed location is more limited than for other types of regimes for mobile business income. This means that a relevant entity engaged in shipping business may satisfy the ES Test by the operation of the vessel in international traffic including the management of the crew aboard the vessel, maintenance of the vessel, and overseeing voyages and activities related thereto.
- The determination will further consider whether the relevant entity handles all obligations under the RMI Associations Law and Maritime Act 1990, including compliance with applicable International Maritime Organisation and International Labour Organisation regulations, customs, and manning requirements and whether all financial obligations to the RMI have been fulfilled.
- WHAT DOES THIS MEAN IN PRACTICE

Holding company business

- Under the ESRs, the relevant activity of 'holding company business' is limited to the business of a pure equity holding company, which is defined as "a company that *only* holds equity participations in other entities and only earns dividends and capital gains and performs no commercial activity" (our emphasis in italic).
- Section 10 of the Economic Substance Reporting and Guidance provides:
 - pure equity holding companies may satisfy the economic substance test by compliance with all applicable filing requirements of the Business Corporations Act, Revised Partnership Act, Limited Partnership Act, or Limited Liability Companies Act, including the payment of all fees.
 - Additionally, a pure equity holding company must have adequate human resources and premises in the RMI for holding and managing participations in other entities. "Adequate" will be determined based on the circumstances of each pure equity holding company. However, a pure equity holding company may be able to satisfy these reduced substance requirements by maintaining a registered agent in the RMI in accordance with the Associations Law. A pure equity holding company is not required to be directed and managed in the RMI.
- Relevant entities which carry on the relevant activity of holding company business are subject to a reduced ES Test pursuant to section 4(5) of the ESR. This reduced ES Test will be satisfied if the company confirms to the Registrar that it: complies with its statutory obligations under the BCA, Revised Partnership Act, Limited Partnership Act, or Limited Liability Companies Act, as appropriate; and (b) has adequate human resources and premises in the Marshall Islands for holding and managing equity participations in other entities.

Financing and leasing business

- Under the ESRs, the relevant activity of financing and leasing business means "the business of providing credit facilities for any kind of consideration to another person but does not include any activity falling within the definition of "banking business", "fund management business" or "insurance business".
- Under the Marshall Islands Banking Act 1987 Chapter 1 of Title 17 of the MIRC, 'banking business' means the business of receiving funds from the public through the acceptance of money deposits which may be withdrawn or repaid by check or order, and the use of such funds either in whole or in part for advances, investments, or any other operation either authorized by law or customary banking practice.

Relevant activity only as a portion of the entity's business

- Importantly where a relevant entity performs a relevant activity only as a portion of its business, for each financial period in which a relevant entity derives income from a relevant activity, it must meet economic substance requirements only in relation to the portion of its business which is a relevant activity (our emphasis in italics). This means where there is more than one type of business conducted (as may be the case in relation to an entity's business activities), the directors of such entity must consider each element of the entity's business in turn, to determine whether or not that element is (or isn't) a relevant activity. If that portion of the entity's business derives no income from a relevant activity or indeed that activity is not determined to be a relevant activity, then the entity is not required to meet the ES Test with regard to that portion of its business for that financial period, although it will still have Notification obligations, such as submitting its (timely) ESR Report to the Registrar.

Notification obligations

To summarize again:

- All NRDEs and FMEs are required to file a Notification by means of an ESR Report.
- The filing of the Notification is a pre-requisite to maintaining an NRDE or FME's good standing with the Registrar and, accordingly, the deadlines for filing the Notification are, in effect, those which apply in respect of annual invoice; each NRDE and FME will receive notice of their reporting period and deadline with each annual invoice. The Notification will be an annual requirement for each NRDE and FME and can be filed by any person authorized to act on behalf of that NRDE or FME (and so will, for the most part, be either the entity itself or its principal/approved agent). Accordingly, the entity's principal/approved agent should be expected to reach out for any missing information.
- All NRDEs and FMEs (even those who fall outside the classification of a 'relevant entity') will have to provide some information for the purposes of the Notification.
- An entity which is a 'relevant entity', but which is not carrying on a 'relevant activity' will simply need to confirm that it is not carrying on a 'relevant activity'.
- An entity which is claiming to fall outside the classification of a 'relevant entity' on the basis that it is tax resident outside the Marshall Islands will need to confirm whether or not it is carrying out any relevant activities and, if so, which relevant activity. Requisite evidence of tax residency is set out in the ESR Report and the entity will select which type of evidence it can provide upon request of the Registrar.

Reporting obligations

- An entity that is a 'relevant entity' and carrying on a 'relevant activity' will be required to report certain information on their relevant activities on an annual basis to the Registrar by means of the ESR Report.
- Each NRDE and FME will have 12 months from their next anniversary date after 1 July 2020 to complete their first ESR Report. Each subsequent year, the deadline will be 12 months from the entity's anniversary date. All entities will receive notice of their reporting period and deadline with each annual invoice.
- The ESR Report should be completed for the immediate past financial period, i.e. the financial period which has closed prior to completing the ESR Report, beginning with the financial period which ends in 2020. Again, the Registrar will inform an entity of the deadline for filing the ESR Report.
- The ESR Report is required to be in a prescribed form, which is available (in digital format) embedded in the Republic of the Marshall Islands Economic Substance Reporting Portal User Guide. The ESR Report will require detailed information on the entity and its activities, and will be the basis on which the Registrar will determine satisfaction of the ES Test.
- If an entity reports in its ESR Report that it is tax resident or subject to a tax regime in another jurisdiction, then the ESR Report is complete (once it has selected the requisite evidence called for in the ESR Report). If it does not, it will be required to state whether it has income from carrying out one of the relevant activities referred to above, for the previous financial period.

And lastly...

- The ES Test is complex, and advice on what would be required to satisfy the ES Test in respect of the various relevant activities carried on is beyond the scope of this presentation.
- Note also that there are different rules under the ESRs where a relevant entity performs a relevant activity only as a portion of its business.
- This presentation does not address what constitutes "doing business in the RMI" nor whether compliance with the ESRs creates a resident domestic entity.
- Take legal and tax advice.
- Directors determine – pass resolutions.
- Instruct the authorized person to make the report based on those resolutions.
- Maintain internal records and evidence of documents referred to in the ES Report.

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Jonathan is a partner of Maples and Calder's Finance team in the Maples Group's Hong Kong office. He also heads the shipping practice for Asia, and is a Notary Public appointed in Hong Kong and the Chairman of the Hong Kong Society of Marshall Islands Attorneys. Jonathan has over 15 years of experience in advising American, European, Hong Kong and PRC banks/sponsors/borrowers/lessors/and private equity on general banking and finance, working capital loans, syndicated and bilateral lending, secured lending, structured trade and commodity finance and debt capital markets. His specialisms include ship finance, ship lease finance, sale and purchase and other commercial shipping contracts (i.e. building contracts, refund guarantees, performance guarantees, jvs between shipowners etc).

Jonathan has particular experience of finance and lease finance structures used by PRC banks and PRC lessors and other financial leasing companies. Jonathan is admitted in England and Wales, Hong Kong, Ireland, the Republic of the Marshall Islands and BVI.

Jonathan is widely recognised as a leading practitioner, having been acknowledged in Chambers Global as *"a pivotal player in this area, with lease-based financing and project financing being his main areas of focus"* and ranked as a "Leading Individual" by The Legal 500 Asia Pacific and appraised for his *"specialist knowledge of shipping finance matters"*.





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Q&A – CONTACT INFORMATION



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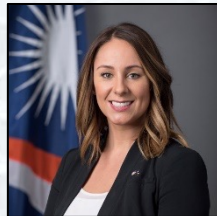


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RMI ESR REPORTING PORTAL

Presented by:

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21 July 2021



WHAT YOU NEED

**THE TRUST COMPANY OF THE MARSHALL ISLANDS, INC.
POST OFFICE BOX 2095 RESTON, VA 20195-0095 USA
Telephone: +1-703-620-4880 FAX: +1-703-476-8522**

Customer Name / Company
Address Line 1
Address Line 2
City, Country, Postal Code

Date

Economic Substance Reporting Information and Personal Identification Number (PIN)

Entity: [ENTITY NAME]

Entity Number: [XXXXX]

PIN: [XXXXXXX]


Economic Substance Report Due Date: [Date]

Dear Client,

In accordance with the Economic Substance Regulations, 2018 (ESR), all entities and foreign maritime entities must submit an ESR Report to the Registrar of Corporations on an annual basis. ESR Reports are due by the anniversary date of the entity.

WHERE YOU SHOULD GO

<https://www.register-iri.com>



**INTERNATIONAL
REGISTRIES**

General Information ▾

Business Entities ▾

Entity Search

Electronic Annual Invoice

Legal ▾

**Economic Substance
Reporting and Guidance**

Click to access ESR Reporting Portal.

[ESR REPORTING PORTAL](#)

Click to download the Individual or Consolidated ESR Portal User Guide.

[INDIVIDUAL - ENGLISH VERSION](#)

[INDIVIDUAL - CHINESE VERSION](#)

[CONSOLIDATED - ENGLISH VERSION](#)

Click to view the ESR FAQs.

[ESR FAQs](#)

Click to download the RMI Guidance and Frequently Asked Questions on Economic Substance.

[DOWNLOAD - US LETTER](#)

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Click to verify a Certificate of Economic Substance Reporting Compliance.

[ESR VERIFICATION PAGE](#)

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[Economic Substance Regulations, 2018,](#)

(NRDEs) and foreign
substance.

submitted within 12 months
to meet the filing deadline may

TWO PORTALS

ESR REPORTING PORTAL

Welcome to the Republic of the Marshall Islands ('Marshall Islands') Economic Substance Regulations (ESR) Reporting Portal. In accordance with the Marshall Islands Economic Substance Regulations, 2018, all non-resident domestic entities (NRDEs) and foreign maritime entities (FMEs) must complete an annual report on economic substance.

Please review the ESR Portal User Guide and other useful information at <https://www.register-iri.com/corporate/esr/> before beginning the ESR Report. Do not use the browser back button. All responses must be in English.

All questions should be directed to corpesr@register-iri.com.

INDIVIDUAL/SINGLE ENTITY REPORTS

For Individual/Single Entity Reports, please enter the portal by providing the entity number and unique PIN. Once you begin the Individual/Single Report you will not be able to save your responses.

Submit Individual/Single Entity Report [here](#)

Retrieve/Void Past Individual/Single Entity Report [here](#)

PARENT-SUBSIDIARY GROUP REPORT (Consolidated Report)

Consolidated Reports are available for groups of entities reporting under a common parent with consolidated financial statements or tax returns. Please enter the portal by providing the parent entity number and unique PIN. You will then be requested to enter the subsidiary entity(ies) of that parent entity. You may save your progress in a Consolidated Report.

Start New Consolidated Report [here](#)

SIMPLE REPORTS

- FME reports
 - First question: is the entity an FME? “Yes”

Step 3: Answer whether the FME is “centrally managed and controlled” from within the RMI.

Is the business of the Foreign Maritime Entity (FME) centrally managed and controlled from within the Marshall Islands? ? Yes No

“Central management and control” is generally defined as the physical location where the highest level of decision making for the entity is usually undertaken (such as where the board of directors meetings are held for a corporation).

Note: At this time, the Registrar of Corporations is unaware of any FME that is centrally managed and controlled from the RMI.

SIMPLE REPORTS (continued)

- No business activity / dormant entities

Step 3: All entities will answer whether the entity was had any business activity for the financial period. If “no,” then the ESR Report is complete and proceed to Step 8.

Did the entity have any income from any business activity during the Yes No
entity's previous financial period?

PREPARATION – NON-RELEVANT ENTITIES

Step 5A: If “yes,” one of the following will need to be selected, and the ESR Report is complete (if tax identification number (TIN) is selected, the number must be provided):

* Country of tax residency or where the entity is subject to a tax regime

* Please mark all objective evidence the entity can provide to substantiate the above:

- tax identification number (or equivalent)
- tax certificate
- evidence of assessment or payment of tax liability
- other proof the entity is subject to a tax regime outside of the Marshall Islands or is a disregarded entity for US tax purposes (such as an affidavit from a 'C' level officer or a tax advisor)

PREPARATION – RELEVANT ENTITIES

- Holding company business and shipping business must report:

Amount and type (e.g. rents, royalties, dividends, sales, services) of gross income:

* Gross income from rent ▼

* Gross income from royalties ▼

* Gross income from dividends ▼

* Gross income from sales ▼

* Gross income from services ▼

* Gross income from other ▼

* Amount and type of assets (such as tangible, intangible, current, fixed, operating, or non-operating assets):

Add

Type of assets	Amount
No data to display.	

* Amount and type of expenses (such as operating, non-operating, fixed, or variable expenses):

Add

Type of expenses	Amount
No data to display.	


Dropdown Menu:

- N/A
- USD 1 - 1,000,000
- USD 1,000,001 - 10,000,000
- USD 10,000,001 - 25,000,000
- USD 25,000,001 - 50,000,000
- USD 50,000,001 - 75,000,000
- USD 75,000,001 - 100,000,000
- USD 100,000,001+

CONFIRMATION AND CERTIFICATE

REPUBLIC OF THE MARSHALL ISLANDS
REGISTRAR OF CORPORATIONS

CERTIFICATE
OF
ECONOMIC SUBSTANCE REPORTING COMPLIANCE



I HEREBY CERTIFY, that

ENTITY NAME
Entity No.: XXXX

is in compliance with the reporting provisions of the Republic of the Marshall Islands Economic Substance Regulations, 2018 as of the date hereof.

WITNESS my hand and the official seal of the Registrar on
[Date].

Registrar of Corporations
SEAL

[Name]
Deputy Registrar

APOSTILLE
(Hague Convention of 5 October 1961)
(Convention de La Haye du 5 octobre 1961)

1. Country: Republic of the Marshall Islands
- This Public Document
2. has been signed by: [Name]
3. acting in the capacity of: Deputy Registrar, Republic of the Marshall Islands
4. bears the seal/stamp of: Registrar of Corporations, Republic of the Marshall Islands

Certified

5. at: Majuro, Marshall Islands
6. on: [Date]
7. by: Special Agent of the Republic of the Marshall Islands

8. Number: xxxxxxxx
9. Seal /stamp: _____
10. Signature: _____

Special Agent
Seal

Unique Tracking Number: XXXXXX
You may verify this electronic certificate online at: [ESR Report Verification](#)

ADVANTAGES

- Portal is very simple to use.
- On average it takes five minutes to file an individual report.
- IRI personnel on hand to resend PIN numbers or help answer questions.
- Certificate evidencing reporting has been completed is automatically generated.

THANK YOU

www.register-iri.com



Q&A – CONTACT INFORMATION



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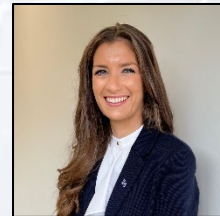


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