



FOR IMMEDIATE RELEASE
INDUSTRY NOTICE- Economic Substance Requirements

6 February, 2019

To: Service Providers, International Business Companies, Limited Liability Companies, Ordinary Companies and Limited Partnerships

On 9th January, the House of Assembly approved a suite of legislation on Economic Substance requirements, part of a package of measures to enable Anguilla to meet its international commitments on tax transparency. Amendments have been enacted to the Companies Act, the International Business Companies Act, the Limited Liability Companies Act and the Limited Partnership Act that will introduce the economic substance requirements.

Specifically, the rules will require entities registered in Anguilla that are conducting certain ‘**relevant**’ activities and are not **exempt** entities, to demonstrate that they are conducting ‘real’ economic activity and have substantial presence in the jurisdiction. Relevant Activities within scope are Banking, Insurance, Fund Management, Financing, Leasing, Headquarters, Shipping, Intellectual Property, Distribution and Services Centre business and Holding Company business. An entity is an **exempt** entity if it is centrally managed and controlled or carries on the relevant activity in a jurisdiction where the rate at which the company may be charged tax is 10% or higher, and the company is resident for tax purposes in that jurisdiction.

The economic substance requirements will apply to new companies from incorporation and existing companies from 1 July, 2019.

In 2016, the European Union adopted criteria covering tax transparency, fair taxation and anti-base erosion and profit shifting (BEPS) against which countries were assessed during a screening process conducted by the Code of Conduct Group (COCG) during 2017. Anguilla was screened during this process and the COCG identified concerns that there was an absence of legal substance requirements for entities doing business in or through Anguilla. The COCG has since reviewed the amended legislation and has noted in its preliminary assessment that Anguilla has positively settled all the identified issues in relation to the economic substance requirements.

The amended legislation can be found on the Government’s website at www.gov.ai or on the Commercial Registry’s website at <http://commercialregistry.ai/Legislation>.

For further information, please contact the Commercial Registry at 1- 264-497-3881 or email marisa.harding-hodge@gov.ai

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