

Republic of the Marshall Islands

**ECONOMIC SUBSTANCE REPORTING
PORTAL USER GUIDE**

As revised through 11 November 2024

The following Republic of the Marshall Islands (RMI) Economic Substance Regulations, 2018 (ESR) Reporting Portal User Guide is intended as a guide only and does not address every possible reporting scenario.

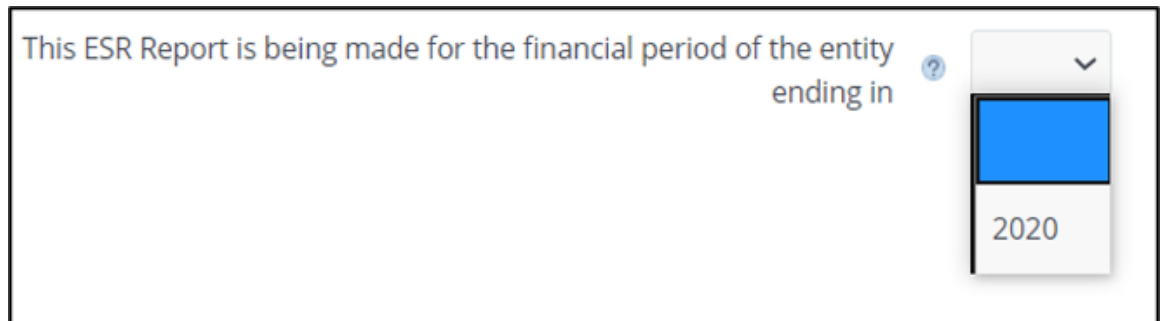
1.0 GENERAL USER INFORMATION

- Do not use the browser back button, use only the back button provided in the portal. Use of the browser back button will exit the portal.
- Responses cannot be saved. Please be prepared to complete the ESR Report once started.
- All responses must be in English.
- Upon submission, you will receive a confirmation number along with an electronic ESR Report Confirmation. Once the Registrar of Corporation's due diligence process is complete (generally, within 72 hours), a Certificate of Economic Substance Reporting Compliance (CESRC) will be sent to the email address of the user submitting the ESR Report.

2.0 REPORTING FOR FOREIGN MARITIME ENTITIES (FMEs)

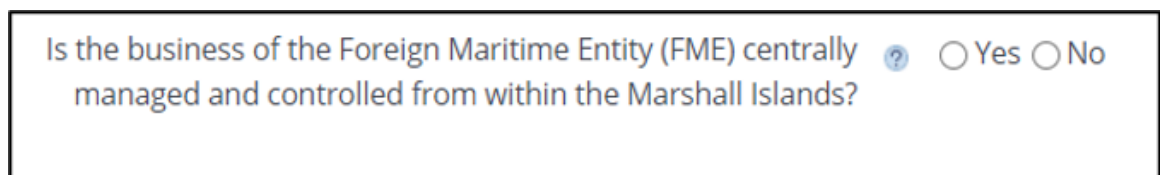
FME Step 1: Enter Entity Number and Unique Personal Identification Number (PIN).

FME Step 2: Indicate the financial period for which the ESR Report is being filed.



This ESR Report is being made for the financial period of the entity ending in 2020

FME 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).

FME Step 4: If “no” is selected in Step 3, the ESR Report is complete and the individual preparing the ESR Report must certify that they are authorized to act on behalf of the entity and must provide the following information:

A screenshot of a web form for ESR reporting. The form contains the following fields and options:

- * First Name: Text input field
- * Middle Name: Text input field with an "N/A" checkbox to its right
- * Last Name: Text input field
- * Gender: Dropdown menu
- * Title: Dropdown menu
- * Nationality: Dropdown menu
- * Email Address: Text input field
- * Re-enter Email Address: Text input field
- (An email confirmation and the ESR Certificate will be sent to this email address)
- * Country: Dropdown menu
- * City: Text input field
- * State: Text input field with an "N/A" checkbox to its right
- * Postal Code: Text input field with an "N/A" checkbox to its right
- * Phone: Dropdown menu
- * Number: Text input field

At the bottom right of the form is an orange "Submit" button.

3.0 REPORTING FOR NON-RESIDENT DOMESTIC ENTITIES (NRDEs)

NRDE Step 1: Enter Entity Number and Unique PIN.

NRDE Step 2: Indicate the financial period for which the ESR Report is being filed.

A screenshot of a dropdown menu. The text above the menu reads: "This ESR Report is being made for the financial period of the entity ending in". To the right of this text is a question mark icon. The dropdown menu is open, showing a blue highlighted selection area and the year "2020" below it.

NRDE Step 3: All entities will answer whether the entity had any business activity for the financial period. “Any business activity” means any activity at all, regardless of whether income is generated, including, holding shares, holding assets, conducting transactions, etc. If “no,” then the ESR Report is complete and proceed to Step 8.

Did the entity have any business activity during the financial period of this ESR Report? Yes No

NRDE Step 4: If “yes” is selected in Step 3, the entity must answer whether it is tax resident or subject to a tax regime in another jurisdiction:

Is the entity tax resident or subject to a tax regime (such as a tonnage tax regime) in a country outside of the Marshall Islands? Yes No

NRDE Step 5(A): If “yes” is selected in step 4, choose the country and available evidence of tax residency. If “tax identification number (TIN)” is selected, the number must be provided.

- Entities claiming tax residency in Guernsey, Jersey, or Isle of Man proceed to step 5(A)(1).
- Entities claiming tax residency in Anguilla, Bahamas, Bahrain, Barbados, Bermuda, British Virgin Islands, Cayman Islands, Turks and Caicos Islands, and the United Arab Emirates proceed to step 5(A)(2).
- Entities claiming tax residency in Austria, Luxembourg, Belgium, Netherlands, Czech Republic, Slovak Republic, Germany, Spain, Ireland, or Sweden proceed to step 5(A)(3).

* 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) Enter TIN

tax certificate

evidence of assessment or payment of tax liability

other proof the entity is subject to a tax regime outside of the RMI (such as an affidavit from a 'C' level officer or a tax advisor)

NRDE Step 5(A)(1): Entities claiming tax residency in Guernsey, Jersey, or Isle of Man will need to upload documentation showing both proof of tax residency and proof the entity is subject to the jurisdiction’s corporate tax system.

NRDE Step 5(A)(2): Entities claiming tax residency in Anguilla, Bahamas, Bahrain, Barbados, Bermuda, British Virgin Islands, Cayman Islands, Turks and Caicos Islands, and the United Arab Emirates must also meet the substance criteria for any relevant activities, as required by the Forum on Harmful Tax Practices (FHTP) guidelines.

NRDE Step 5(A)(3): Entities claiming tax residency in Austria, Luxembourg, Belgium, Netherlands, Czech Republic, Slovak Republic, Germany, Spain, Ireland, or Sweden must upload documentation evidencing tax residency.

NRDE Step 5(B): If “no,” the entity will proceed with the below questions:

Did the entity have income from carrying on one of the below relevant activities for the previous financial period? <input checked="" type="radio"/>	<input type="radio"/> entity had no income from a relevant activity
	<input type="radio"/> distribution and service center business
	<input type="radio"/> financing and leasing business
	<input type="radio"/> fund management business
	<input type="radio"/> headquarters business
	<input type="radio"/> holding company business
	<input type="radio"/> intellectual property business
	<input type="radio"/> shipping business related to a Marshall Islands-registered vessel
	<input type="radio"/> banking business
	<input type="radio"/> insurance business

NRDE Step 6: Select the relevant activity. Additional information on certain relevant activities is provided below:

If “entity had no income from a relevant activity” is selected, the entity must respond to the below¹:

Is the entity a Custodial Institution? <input type="radio"/> Yes <input type="radio"/> No
Is the entity an Investment Entity? <input type="radio"/> Yes <input type="radio"/> No

If “holding company business” is selected, the entity must respond to the below:

Is the entity compliant with all filing and statutory requirements under the Associations Law? <input type="radio"/> Yes <input type="radio"/> No
Does the entity maintain a registered agent in the Marshall Islands? <input type="radio"/> Yes <input type="radio"/> No

The entity must also respond to the below²:

Is the entity managed by another entity that is a Financial Institution? <input type="radio"/> Yes <input type="radio"/> No

¹ A “Custodial Institution” is an entity that holds financial assets for the account of others as a substantial portion of its business (i.e., 20% or more of its gross income over the last 3 years). Examples include custodian banks, brokers, and central securities depositories.

An “Investment Entity” is an entity that either: (i) primarily conducts, as a business, investment activities or operations for or on behalf of a customer (for example, a commercial trust company or asset management company); OR (ii) derives its gross income primarily from investing, reinvesting, or trading in financial assets and is managed by a financial institution (for example, a collective investment vehicle, private equity fund, or venture capital fund).

² A “Financial Institution” is a Depository Institution (e.g., commercial bank), a Custodial Institution (e.g., custodian bank), a Specified Insurance Company (e.g., life insurance company), or an Investment Entity (e.g., trust company or asset management company).

If “shipping business related to a Marshall Islands-registered vessel” is selected, the entity must respond to the below:

Is the entity compliant with all statutory and other obligations under the Marshall Islands Associations Law and Marshall Islands Maritime Act 1990, including compliance with applicable International Maritime Organization and International Labour Organization regulations, customs, and manning requirements? Yes No

All other relevant activities must respond to the following:

Is the entity's relevant activity directed and managed in the Marshall Islands? Yes No

Are there adequate employees, expenditure, and appropriate premises in the Marshall Islands? Yes No

Does the entity conduct its core income generating activities in the Marshall Islands? Yes No

NRDE Step 7:

All relevant entities engaged in any relevant activity are required to report the following additional information:

Holding company business must report:

Because the entity has reported it is a relevant entity with income from a relevant activity, the following information is required to be provided for the reported financial period.

Amount and type of gross income in respect of the relevant activity:

* Gross income from rent	<input type="text"/>	* Currency	<input type="text"/>
* Gross income from royalties	<input type="text"/>	* Currency	<input type="text"/>
* Gross income from dividends	<input type="text"/>	* Currency	<input type="text"/>
* Gross income from sales	<input type="text"/>	* Currency	<input type="text"/>
* Gross income from services	<input type="text"/>	* Currency	<input type="text"/>
* Gross income from other	<input type="text"/>	* Currency	<input type="text"/>

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

Add

Type of Assets	Amount	Currency	
No data to display.			

* Amount and type of expenses (such as operating, non-operating, fixed, or variable expenses) in respect of the relevant activity:

Add

Type of Expenses	Amount	Currency	
No data to display.			

Number of employees, including the number of full-time employees, or other qualified personnel responsible for carrying out the relevant activity in the Marshall Islands.

* Number of employees	<input type="text"/>
* Number of full-time employees	<input type="text"/>

Shipping business must report:

Because the entity has reported it is a relevant entity with income from a relevant activity, the following information is required to be provided for the reported financial period.

Amount and type of gross income in respect of the relevant activity:

* Gross income from rent	<input type="text"/>	* Currency	<input type="text"/>
* Gross income from royalties	<input type="text"/>	* Currency	<input type="text"/>
* Gross income from dividends	<input type="text"/>	* Currency	<input type="text"/>
* Gross income from sales	<input type="text"/>	* Currency	<input type="text"/>
* Gross income from services	<input type="text"/>	* Currency	<input type="text"/>
* Gross income from other	<input type="text"/>	* Currency	<input type="text"/>

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

Add

Type of Assets	Amount	Currency	
No data to display.			

* Amount and type of expenses (such as operating, non-operating, fixed, or variable expenses) in respect of the relevant activity:

Add

Type of Expenses	Amount	Currency	
No data to display.			

Number of employees, including the number of full-time employees, or other qualified personnel responsible for carrying out the relevant activity in the Marshall Islands. This includes seafarers serving on board an RMI-flagged vessel for the financial period of the ESR Report.

* Number of employees	<input type="text"/>
* Number of full-time employees	<input type="text"/>

All other relevant activities must report:

Because the entity has reported it is a relevant entity with income from a relevant activity, the following information is required to be provided for the reported financial period.

Amount and type of gross income in respect of the relevant activity:

- * Gross income from rent Currency
- * Gross income from royalties Currency
- * Gross income from dividends Currency
- * Gross income from sales Currency
- * Gross income from services Currency
- * Gross income from other Currency

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

Add

Type of Assets	Amount	Currency	
No data to display.			

* Amount and type of expenses (such as operating, non-operating, fixed, or variable expenses) in respect of the relevant activity:

Add

Type of Expenses	Amount	Currency	
No data to display.			

Provide the physical address of the place of business, property, or equipment used for the relevant activity in the Marshall Islands (not the Registered Agent address)

*

Number of employees, including the number of full-time employees, or other qualified personnel responsible for carrying out the relevant activity.

- * Number of employees
- * Number of full-time employees

Please describe how the core income generating activities are being carried out in the Marshall Islands with respect to the relevant activity.

*

NRDE Step 8: Submit the ESR Report. The individual preparing the ESR Report must certify that they are authorized to act on behalf of the entity and must provide the following information:

4.0 RETRIEVE OR VOID PAST REPORT

From the portal home page, you may retrieve or void a past report and view the below information after entering the Entity Number and Unique PIN.

Financial Period	ESR Report Status	Confirmation Number	Certificate Unique Tracking Number	Void	ESR Submitted By	ESR Report Date	Void Request Submitted By	ESR Void Date
------------------	-------------------	---------------------	------------------------------------	------	------------------	-----------------	---------------------------	---------------

Voiding an ESR Report may only be done once it has been processed by the Registrar of Corporations.

5.0 RECEIPT AND VERIFICATION OF A CESRC

Generally, a CESRC will be sent to the email address of the individual submitting the ESR Report within 72 hours of submission. Additionally, an electronic copy of the CESRC will be available on the portal through the retrieve a past report function.

A CESRC may be verified at <https://resources.register-iri.com/ESRVerify/esr/Search> by entering the unique tracking number found on the CESRC, through the retrieve a past report function, or by scanning the Quick Response (QR) Code found on the CESRC:

* Document/Certificate Type	Certificate of Economic Substance Reporting Compliance
? * Unique Tracking Number	<input type="text"/>
	<input type="button" value="Search"/> <input type="button" value="Clear"/>