

Economic Substance Core Income Generating Activities ("CIGA") (as at July 2019)

Banking

- Raising funds
- Managing risk including credit, currency and interest risks
- Taking hedging positions
- Providing loans, credit or other financial services to customers
- Managing capital
- Preparing report/returns to the GFSC

Insurance

- Predicting and calculating risk
- Insuring or re-insuring against risks
- Providing insurance business services to clients

Fund Management

- Decisions on holding and selling of investments
- Calculating risk and reserves, taking decision on currency
- Decisions on interest fluctuations and/or hedging positions
- Preparing relevant regulatory and/or other reports for government authorities and investors

Financing and Leasing

- Agreeing funding terms
- Identifying and acquiring assets to be leased (in the case of leasing)
- Setting the terms and duration of any financing or leasing
- Monitoring and revising any agreements
- Managing any risks

Holding Company

- Receives income from the activity of pure equity holding
- Must comply with Company Law requirements
- Adequate personnel and physical presence proportionate to the level of activity

Shipping

- Managing crew (including hiring, paying, and overseeing crew members)
- Hauling and maintaining ships
- Overseeing and tracking deliveries
- Determining what goods to order and when to deliver them
- Organising and overseeing voyages

Continued overleaf...

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Intellectual Property and High Risk IP

- Research and development (rather than acquiring or outsourcing)
- Marketing, branding, and distribution
- Strategic decisions and principal risks relating to develop and exploitation of the assets
- Underlying trading activity through which IP is exploited
- If considered a High Risk IP company, there is a rebuttable presumption that it has failed the substance requirements

Headquartering

- Taking relevant management decisions
- Incurring expenditures on behalf of group entities
- Coordinating group activities

Distribution and Service Centres

- Transporting and storing goods, components and materials
- Managing stocks
- Taking orders
- Providing consulting or other administrative services

