Anti-Facilitation of Tax Evasion Risk Module

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Anti-facilitation of tax evasion laws typically apply to a broad range of individuals and entities, particularly those involved in business, finance, and professional services. The scope of these laws is designed to ensure that anyone who might play a role in facilitating tax evasion is held accountable.

What is Tax Evasion Risk?

Anti-facilitation of tax evasion refers to measures and regulations aimed at preventing individuals and entities from aiding, abetting, or otherwise enabling tax evasion by others. These measures are designed to ensure that businesses and professionals do not become complicit in illegal activities related to tax evasion.

What is Anti-Facilitation of Tax Evasion Risk?

Tax evasion risk refers to the likelihood that individuals, businesses, or other entities will engage in illegal activities to avoid paying taxes owed to the government. This risk encompasses various factors and scenarios where taxpayers may underreport income, overstate deductions, or otherwise engage in fraudulent practices to reduce their tax liabilities.

What is an Anti-Facilitation of Tax Evasion Risk Assessment?

An Anti-Facilitation of Tax Evasion Risk Assessment is a systematic process that helps organisations operating in these sectors, to identify and assess the potential risks and vulnerabilities to being wittingly or unwittingly involved in tax evasion schemes and helps them to assess both the design and operational effectiveness of their control frameworks, to ensure that tax evasion risks are mitigated and managed, in a way that is both appropriate and proportionate to the nature, size and complexity of the organisation.

The primary objective of conducting an Anti-Facilitation of Tax Evasion Risk Assessment is to ensure compliance with tax laws and regulations, as well as minimising the likelihood and impact of tax evasion, by ensuring a highly effective control framework is designed, implemented and maintained to help organisations to minimise and mitigate against tax evasion risks.

Who should consider conducting a Tax Evasion Risk Assessment?

There are millions or organisations across a diverse array of industry sectors that may be exposed to tax evasion compliance risks including Financial Institutions, Large Corporates, Professional Service Providers, Small and Medium-Sized Enterprises, Family Offices, as well as, High-Net Worth Individuals, that should consider conducting a tax evasion risk assessment.

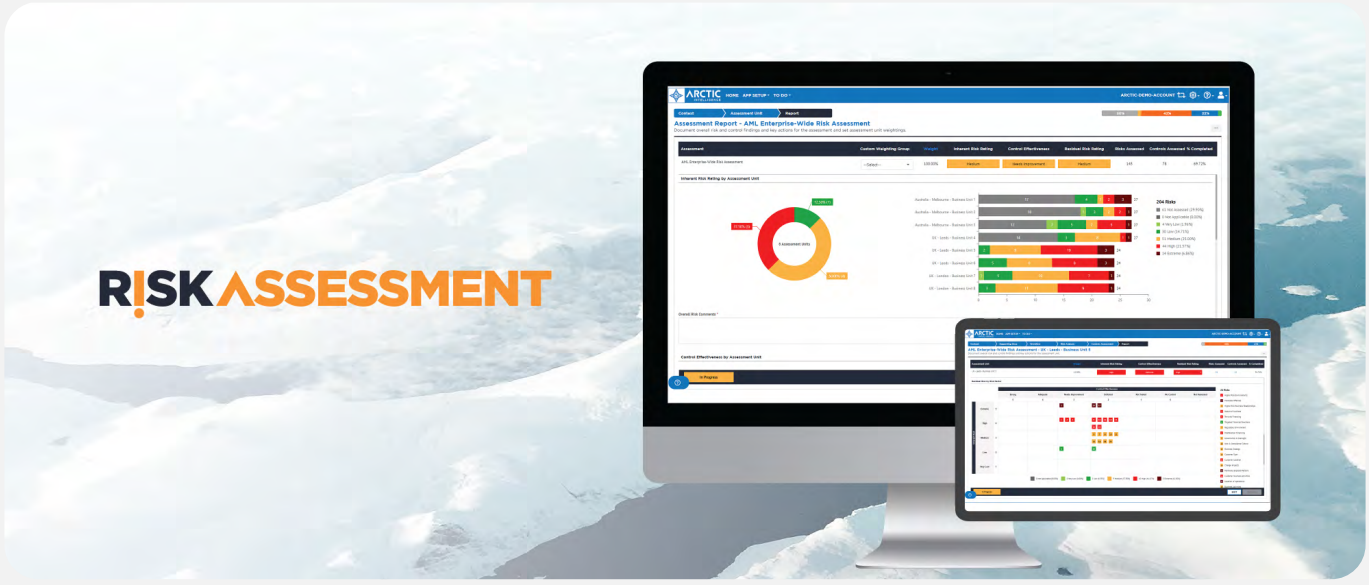
This group represents millions of organisation and entities and can be broken down as follows:

- **Financial Institutions** - this includes Banks, Investment Firms, Asset Managers and others that are obligated to access financial crime risks, including economic crimes like tax evasion. For FATCA, the US IRS maintains a list containing over **450,000** Foreign Financial Institutions (FFIs) across 232 countries, with nearly 300,000 FFIs contained within 10 countries, many of these known as tax secrecy havens like the Cayman Islands, Luxembourg, British Virgin Islands, Guernsey and Jersey.
- **Large Corporates** - from a diverse range of industry sectors including multinational companies and large domestic businesses should conduct tax evasion risk assessments due to the complexity of their operations, extensive financial transactions, and regulatory scrutiny they face.
- **Professional Service Providers** - this includes Accountants, Lawyers and Trust and Company Service Providers (TCSPs), whose services may be used to facilitate the establishment and operation of tax evasion schemes.
- **Small and Medium-Sized Enterprises (SMEs)** - SMEs, especially those in higher risk industries should assess their tax evasion risks to ensure their businesses are not being used to facilitate tax evasion schemes.
- **Family Offices** - are essentially private wealth management businesses established by ultra-high-net-worth families that provide the family with a selection of personalised services that could potentially be exploited for tax evasion purposes.
- **High-Net-Worth Individuals (HNWIs)** - are Individuals with significant assets and complex financial affairs who should consider tax evasion risk assessments to ensure their tax planning strategies are compliant with tax laws.

About Arctic Intelligence's Risk Assessment Platform

Arctic Intelligence's Risk Assessment Platform has been designed for larger companies to conduct risk assessments for financial crime and other risk domains. The platform is highly-configurable and can be tailored to your organisation's risk assessment methodology, risk and control libraries relevant to your business and execute these across multiple countries, operating groups or business units. This process produces real-time dashboards and reports aggregated across the organisation.

The Risk Assessment Platform is commonly used to digitise manual spreadsheet-based models and also to automate the inherent risk assessment process by ingesting data from file uploads or API feeds.



PLAY VIDEO DEMO *DIGITISATION*

PLAY VIDEO DEMO *AUTOMATION*

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Key Features

To help manage your enterprise-wide risks, whatever the risk domain you're assessing

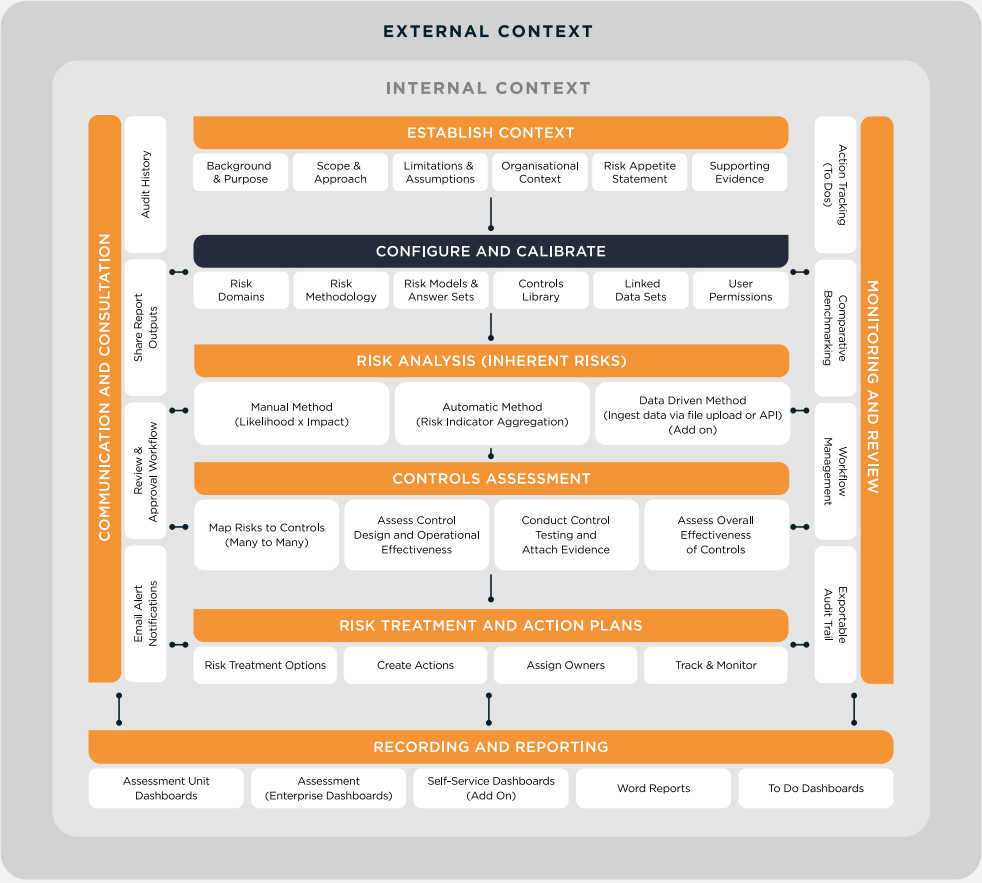
- Highly configurable so you can tailor the platform to suit your needs
- Import your own risk and controls or use our expert-built risk domains
- Flexible risk methodology, tailored to your risk-based approach
- Auditable workflow process for conducting risk analysis and controls assessment
- Digitise and automate by ingesting data via API or file upload
- Track, monitor and report on actions, issues and incidents
- Real-time dashboards and analytics, with exportable reports
- Fully hosted in a secure cloud with dedicated support

Why choose the Risk Assessment Platform?

- Fully configurable risk analysis and controls assessment platform
- Expert-built content modules with hundreds of risks and controls
- Digitise spreadsheet-based approaches, improving quality
- Automate risk assessments by ingesting data, improving efficiency
- Real-time analytics, approval workflows and fully auditable
- Save time and money, reducing compliance costs

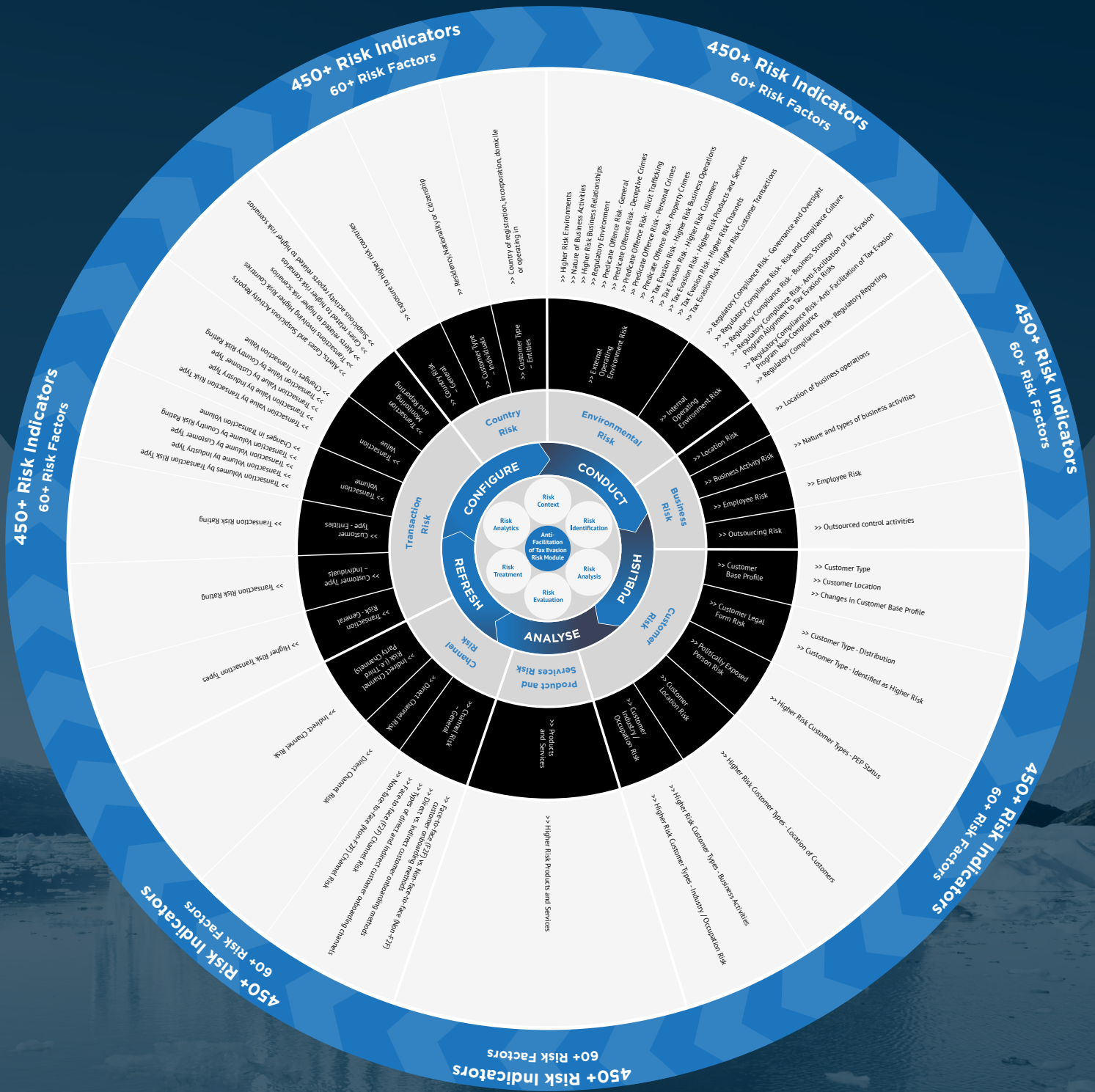
How it works

The diagram below visualises recognised industry best risk assessment practices overlaid against the features within the Risk Assessment Platform that supports these processes.



What is the structure of the Anti-Facilitation of Tax Evasion risk and control module?

We've developed several Anti-Facilitation of Tax Evasion risk and control modules, which is represented in the diagram below. It can also be fully tailored to suit your organisation by modifying content, applying weightings, determining answer set values and calibrating risk thresholds.



About Arctic Intelligence

Arctic Intelligence is a multi-award winning, RegTech firm that specialises in audit, risk and compliance software related to financial crime compliance and risk management.

We've helped hundreds of clients in over 20 industry sectors and multiple countries strengthen their defences against financial crime.

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