

TYOLOGY – SUSPECTED TAX EVASION BY FOREIGN NATIONALS

EXTRACT FROM THE FIUTT STRATEGIC ANALYSIS CASE COMPILATION 2015 - 2020

Typology

14. Suspected Tax Evasion by Foreign Nationals

This typology concerns cases where foreign nationals, domiciled in Trinidad and Tobago exploit the financial system to evade payment of the requisite taxes in Trinidad and Tobago. Income earned in Trinidad and Tobago is remitted to the homeland of the foreign nationals under the façade of the repatriation of funds to their diaspora. FIUTT's analysis of such cases revealed the following:

- Existence of cash-intensive companies incorporated within Trinidad and Tobago where the foreign Nationals are the principal parties and/or beneficial owners;
- Existence of bank accounts held by nationals of foreign jurisdictions in financial institutions within Trinidad and Tobago;
- Cash in TTD and USD currencies which represent business proceeds being deposited into the personal accounts of the foreign nationals;
- Frequent and large wire transfers out of Trinidad and

Suspected Offence	Tax Crimes
Customer Type	Individual; Group
Industry	FI's
Channel	Physical; Electronic
Jurisdiction	Local; Foreign

Suspicious Indicators

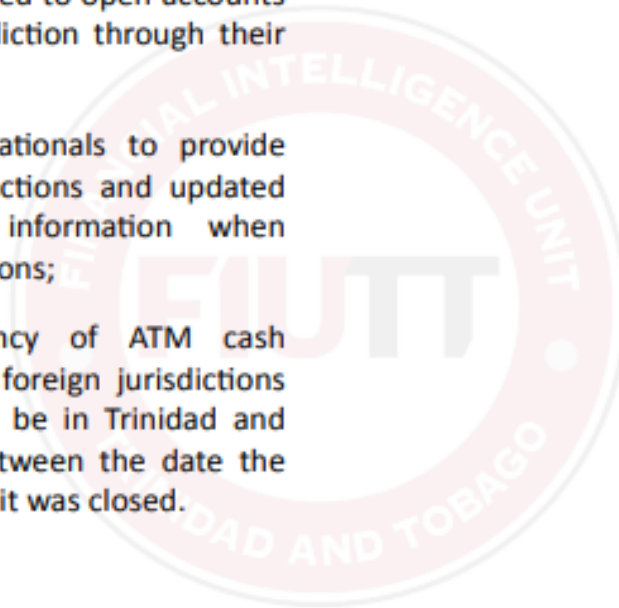
- Use of pre-dominantly cash intensive businesses;
- Multiple accounts being opened by foreign nationals;
- Co-mingling of funds;
- Frequent, large wire transfers to the home jurisdiction of the account holder for various personal expenses;
- Use of third-party individuals to deposit funds and transfer the same to accounts held or controlled by the foreign nationals;
- Reluctance or burst of aggression when asked to provide supporting documentation;
- Accounts appear to be used as a temporary repository; and
- Accounts are opened and closed in quick succession at various financial institutions; and
- Credit/debit cards being utilized in the foreigners home jurisdiction by a third party despite the foreigner being domiciled in Trinidad and Tobago.

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Tobago to the homeland of foreign nationals with stated purposes such as: “gift for family”, “medical”, “to help build house” and “living expenses”.

- Use of third party to remit funds to the homeland of foreign nationals. In a number of cases, employees of cash-intensive companies were used to open accounts and remit funds to foreign jurisdiction through their personal accounts;
- Unwillingness by the foreign nationals to provide information regarding the transactions and updated Know Your Customer (KYC) information when requested by the financial institutions;
- Excessive volume and frequency of ATM cash withdrawals being conducted in foreign jurisdictions while the card holder appear to be in Trinidad and Tobago; and short timeframe between the date the account was opened and the date it was closed.



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DIAGRAM 11 SUSPECTED FOREIGN NATIONALS TAX EVASION

TRINIDAD AND TOBAGO

