

**APPLEBY**

GLOBAL SERVICES

REGULATORY &  
COMPLIANCE SERVICES



# REGULATORY & COMPLIANCE SERVICES

APPLEBY GLOBAL SERVICES (AGS) IS ONE OF THE WORLD'S LEADING CORPORATE AND FIDUCIARY SERVICE PROVIDERS. OUR GLOBAL TEAM OF EXPERTS ADD VALUE AND DELIVER OPERATIONAL EXCELLENCE TO PUBLIC AND PRIVATE COMPANIES, FINANCIAL INSTITUTIONS AND PRIVATE INDIVIDUALS.

AGS provides expert Corporate and Fund Administration, Regulatory and Financial reporting, and Fiduciary and Family Office services. Our dedicated team of experienced professionals work to fulfil our priority of delivering an unmatched value proposition to clients with the operational excellence that they seek.

We have offices in seven highly regarded, well-regulated global locations that enable us to deliver a globally integrated range of services. Our office locations include the key international jurisdictions of Bermuda, the Cayman Islands, Jersey, Mauritius, and the Seychelles, as well as the international financial centres of Hong Kong and Shanghai.

AGS' dedicated team of experienced professionals work closely with Appleby's legal specialists to provide our clients with an integrated legal and fiduciary offering.

## OUR REGULATORY & COMPLIANCE SERVICES

We provide qualified and experienced compliance and regulatory professionals who are able to assist with fulfilling requirements for reporting to both FATCA and CRS.

We have designed our client onboarding work-flows and procedures to capture the data required for Automatic Exchange of Information (AEOI) reporting. Our platform-based solutions facilitate automated task management tracking, ensuring a smooth process to final reporting and we have automated reporting processes facilitating filing through all relevant authority-based portals.

## AML & COMPLIANCE SERVICES

We provide a risk-based, cost effective AML & Compliance solution by highly qualified and experienced regulatory and compliance professionals.

- Identification of reporting requirements
- Developing and implementing AML & Compliance risk management systems
- Advising and reviewing compliance monitoring programs
- Providing AML professionals to act as reporting and compliance officers
- Board reporting for regulatory and compliance matters
- Providing a regulatory interface
- Active global screening for sanctions, PEPs and criminal activity
- Providing Money Laundering Reporting Officer services, reviewing and reporting suspicious activities and transactions
- KYC due diligence and information verification including enhanced reports
- Advising on Board and Senior Management self-assessment reviews
- AML/ATF and sanctions training

## AUTOMATIC EXCHANGE OF INFORMATION (AEOI) SERVICES

Compliance with Common Reporting Standard (CRS) and Foreign Account Tax Compliance (FATCA) legislation has become a must, regardless of where your entity is located. Should your entity be classified as a financial entity, reporting requirements are even stricter.

We provide highly qualified and experienced regulatory and compliance professionals who are able to assist with fulfilling the reporting requirements for these regimes.

Both US and UK FATCA aim to identify and prevent tax evasion of citizens or residents in those countries. Under these regimens, non-US and non-UK Financial Institutions must file certain reports to the US Internal Revenue Service and the UK Authorities on details of any individuals linked to the FI that are citizens or taxpayers in those countries.

CRS is the global equivalent of UK and US FATCA. CRS filings are due to the tax authorities in countries that have become part of multilateral agreements of the Automatic Exchange of Information (AEOI).

Failing to comply with these regimes can result in serious financial penalties and, more importantly, adversely affect the reputation of the group and its long-term financial success.

Our team is trained in identifying the specific applicability of these regimes to the structures that we manage and can ensure that you keep all documentation and returns up to date. We can provide classification and filing services when needed, as well as liaising with local authorities.

## ECONOMIC SUBSTANCE

Regulations in key offshore jurisdictions came into force at the start of 2019 which require entities carrying on specific types of business to demonstrate adequate economic substance in that jurisdiction. Our team assists clients in assessing the applicability of the economic substance regime and can advise on measures to ensure ongoing compliance.

The Council of the EU adopted a resolution on a Code of Conduct for business taxation, the aim of which was counteracting the effects of zero tax and preferential tax regimes around the world. In 2017 the Code of Conduct Group (Code Group) investigated the tax policies of both EU member states and third countries, assessing:

- tax transparency
- fair taxation
- implementation of anti-BEPS measures (The OECD's project on Base Erosion and Profit Shifting)

Following assessment by the Code Group, each non-EU relevant jurisdiction (which includes Bermuda, the British Virgin Islands, the Cayman Islands, Guernsey, Isle of Man and Jersey) was required to address the Code Group's concerns about economic substance.

The governments in each of these jurisdictions worked closely with the Code Group to ensure that those concerns were adequately addressed. As a result of this engagement, new laws and regulations were adopted in each jurisdiction (Substance Regulations).

The precise scope of the Substance Regulations varies somewhat from jurisdiction to jurisdiction. As a general rule, most non-domestic companies, LLCs and partnerships will fall within the definition of "Relevant Entity" for the purposes of the Substance Regulations. Again, while the exact mechanisms vary between jurisdictions, generally speaking each Relevant Entity will need to make certain filings under the Substance Regulations and, if a Relevant Entity conducts "Relevant Business" it will need to meet the applicable substance test.

While all relevant entities will be required to make a filing setting out particulars relating to their business, an in-scope entity will only be required to meet the economic substance test if it carries on a "relevant activity". The precise definition of "relevant activity" varies somewhat between jurisdictions, but in general terms they are:

- banking
- insurance
- fund management
- financing and leasing
- headquarters
- shipping
- distribution and service centres
- holding entity
- intellectual property

Certain exemptions and carve outs may apply (for example, where a relevant entity carries out a relevant activity the profits of which are taxed elsewhere).

Our team of regulatory experts are available to help clients:

- determine whether or not the Substance Regulations apply to a particular entity
- identify any potential exemptions or carve outs that may simplify compliance
- if compliance is required, identify the applicable test and assist in forming strategies to ensure ongoing compliance

Find out more about our services and how AGS may partner with you and your business by contacting us at your preferred office.

## KEY CONTACTS



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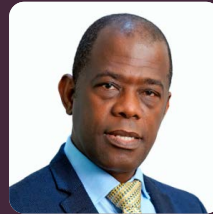
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