§sas

Transform tax compliance with data and analytics

Protect revenue streams while optimizing limited resources

Improve voluntary and enforced compliance

Achieve high rates of collections and case closures

The Issue

Tax fraud is one of the largest economic crimes in the world. Governments typically fail to collect 10% to 20% of anticipated revenues due to noncompliance and evasion. Tax evasion rates soar as high as 70% in many developing countries and developed nations with lax enforcement. The trillions in revenues that governments fail to collect each year could be used to fund services that provide a better quality of life for citizens.

Tax agencies have difficulty deterring and uncovering tax fraud for many reasons – including the digital economy, globalization, cryptocurrencies, limited staff and highly complex evasion schemes. It's hard to differentiate between egregiously noncompliant taxpayers and those who are technically noncompliant yet unproductive to pursue.

Despite the best efforts of government finance leaders, tax evasion rates remain stubbornly high. Fraudsters continue to plague tax administration, as evidenced by the recent surge in identity theft cases and value-added tax (VAT) carousel (or missing trader) fraud. And the globalized economy has made it even easier for taxpayers to move money across borders to avoid paying taxes.

The Challenge

Complex schemes. Tax evaders create intricate networks of corporate entities and partnerships to move money quickly to low- or no-tax jurisdictions. We identify these networks and how money flows through them.

Digital currencies. The rapid adoption of cryptocurrencies makes fraud detection and compliance enforcement more challenging. Our solutions monitor digital currency users who seek to evade taxation or fail to report capital gains on crypto investments.

The gig economy. Digital platforms have opened the floodgates of working "off the books." Those platforms also collect valuable data that tax administrators can harness with SAS® tools to achieve even higher tax compliance rates.

Limited resources. Recruiting and retaining skilled compliance staff is harder than ever. SAS solutions prioritize work so a small team can take the most cost-effective action on each case.

Fake refund requests. The digital economy makes creating a fake refund request easier and faster than ever. SAS helps tax agencies detect fake refunds before they are paid.

Our Approach

SAS helps governments worldwide protect their revenue streams by applying advanced analytics to vast amounts of tax data. This uncovers egregious and pervasive cases of noncompliance and evasion. We provide the tools and know-how to help you:

- **Select taxpayers** who merit further examination. We use advanced analytics to go beyond traditional audit selection and case prioritization. Advanced analytics techniques applied to massive amounts of data can pinpoint evaders and uncover hidden links that indicate collusion.

- **Optimize collections** using analytics to create a collections plan that can be customized daily for each debtor.

- **Discover non-filers** by merging data from multiple sources to generate a comprehensive view of economic activity. This provides a prioritized list of entities with strong economic activity – most likely non-filers with both a legal obligation and the ability to pay.

With SAS, governments can identify and respond to noncompliance and evasion faster, promoting a longer-term shift from enforced compliance to voluntary compliance.

The SAS® Difference

Tax agencies can use SAS for individual and corporate income taxes, value-added taxes, ad valorem taxes, property taxes and customs duties. SAS provides:

- **Advanced analytic techniques.** Multiple analytical methods run concurrently to search for known compliance schemes. The resulting insights are translated into plain language so agencies can act quickly.

- **Collections optimization.** SAS creates a customized collections plan for each taxpayer based on ability and willingness to pay – helping governments with limited staff and budgets maximize revenues.

- **Network analysis.** SAS scores and prioritizes networks at risk of tax evasion, helping you follow the flow of funds and uncover multiple tax fraud schemes and income tax shelters.

- **Modeling and easy access to multiple data sources.** SAS searches numerous data sources to find activities that indicate causal links – helping agencies levy tax on entities. Probabilistic models determine the likelihood that an unregistered taxpayer is willing and able to pay the assessed tax liability.

With SAS, tax agencies can realize a 2% to 5% increase in audit revenues and an 8% to 10% increase in collection revenues, all without hiring new staff.

INCREASE COMPLIANCE, MINIMIZE LOSS AND ADMINISTER TAX POLICY FAIRLY AND EFFICIENTLY

With SAS, you can ...

Improve voluntary compliance

Streamline enforced compliance capabilities by identifying and working cases efficiently

Protect tax information and assets from theft and misuse

Harness the power of your data

For more information, please visit SAS for Public Sector Finance.

§sas