BACKGROUND NOTE

IOTA Digital Workshop **“Combating international tax avoidance and aggressive tax planning through the use of legal entities in tax havens”**
23-24 September 2026 Digital Event via Microsoft Teams

BACKGROUND

International tax avoidance schemes often involve the use of legal entities in tax havens, such as anonymous shell companies, trusts, or mailbox firms.

These structures are typically designed to shift profits, conceal ownership, and exploit regulatory gaps between jurisdictions.

However, tax authorities often lack the tools, data, and capacity to effectively detect and challenge such complex arrangements. Therefore, this activity could provide a valuable opportunity to deepen understanding and exchange best practices in several key areas, including:

- The adoption of the "substance over form" principle to identify and disregard artificial or abusive transactions;
- More effective transfer pricing reviews and the denial of tax deductions for payments made to entities in low-tax jurisdictions;
- Stronger reporting obligations, enhanced auditing practices, and improved international cooperation between tax administrations.

OBJECTIVES

The objectives of this Digital Workshop are to share experiences and address challenges faced by IOTA member tax administrations in identifying, recognizing, and improving ability to identify and challenge complex international tax avoidance schemes, particularly those involving tax haven structures.

EXPECTED OUTCOMES

The expected outcomes of this Digital Workshop are:

- A clearer understanding of tax avoidance structures and emerging risks.
- Improve tax authorities’ capacity to conduct transfer pricing reviews and deny deductions to low- or no-tax jurisdictions.
- Increased knowledge of the use of the "substance over form" principle to identify and reject artificial arrangements.

METHODOLOGIES

The event will be delivered through a combination of presentations, Q&A and group discussions. The presentations will cover various approaches of identification of potentially tax avoidance schemes and indicators used to detect concealed beneficial owners within aggressive tax planning structures. The attendees will have the opportunity to raise questions and explore the topic further during the Q&A sessions.

The group discussion sessions will offer an opportunity for the participants to share their approaches on:

Day 1 – Methods used to identify hidden beneficial ownership in aggressive tax avoidance structures; and

Day 2 – Methods of Assessing real business activity.

There is no limit to the number of participants who can attend the Digital Workshop, however, there is a limit of two participants who will be able to take part in the Group Discussion Session per Tax Administration. If any participants are willing to assume the role of Moderator/Chairperson or Note-Taker in one of the group discussion sessions, they can indicate this in the registration form. A full briefing will be provided to moderators and note-takers prior to the start of the IOTA event.

Deadline for registration is Friday 4 September 2026, using the IOTA e-registration form available on the IOTA web portal.

All sessions of the Digital Workshop will be conducted via the Microsoft Teams platform. Instructions are provided on how to join and participate in the event using the Microsoft Teams platform. There will also be an opportunity for delegates to test their connection 30 minutes prior to the start of the event's sessions.

The Digital Workshop will be recorded and will be available after the event on the IOTA website (only for registered users) to watch on demand.

TARGET AUDIENCE

The target audience is IOTA member Tax Administration officials who are involved in the risk analysis, as well as Tax auditors who are performing Tax and Transfer Pricing audits.

REQUIRED INPUT

Please note that it is not possible to provide any interpretation facilities at this event, and IOTA expects that all participants will have sufficient language skills for active participation in English.