

WANDERLUST SOLVERS

Global Risk Diagnostic Report

Prepared for: **Alex Morgan**
Report Date: March 13, 2026
Reference: GRD-2026-1847

Overall Risk Level

HIGH

Executive Summary

Based on your responses to our structured fact-find, our diagnostic engine has identified **significant multi-jurisdictional exposure** requiring immediate professional attention. Your cross-border footprint creates overlapping tax claims, compliance gaps, and structural inefficiencies that collectively represent \$130,000+ in potential liability and £180,000+ in annual tax overpayment.

This report inventories **11 specific findings** across four risk categories. Of these, **3 are classified as Critical Exposures** requiring immediate action, **3 are Structural Inefficiencies** costing you money annually, **3 are Compliance Gaps** creating penalty risk, and **2 are Strategic Opportunities** with time-sensitive windows.

RESIDENCY

STRUCTURE

COMPLIANCE

EFFICIENCY



Detailed Findings

Critical Exposure

PRIORITY 1 Dual-Residency Claim Risk (UK/Spain)

FINDING:

You spent 187 days in the UK during 2024 tax year while maintaining a Spanish tax residence. Under UK Statutory Residence Test, you meet the automatic UK residence criteria (183+ days). Simultaneously, Spain considers you tax resident due to your registered domicile and economic ties.

IMPLICATION:

Both jurisdictions may claim you as tax resident for 2024, creating double taxation exposure on worldwide income. Without treaty tie-breaker application, you could face full tax liability in both countries.

EXPOSURE:

Estimated additional tax liability: \$46,000 - \$90,000

Relevant WS Module: Tax Residency Transition

PRIORITY 1 Missing FBAR Filings (2022-2024)

FINDING:

As a US person with foreign financial accounts exceeding \$10,000 aggregate balance at any point during 2022, 2023, and 2024, you are required to file FinCEN Form 114 (FBAR) annually. Our analysis shows no FBAR filings for these years.

IMPLICATION:

Failure to file FBAR carries penalties of \$10,000 per violation per year for non-willful violations. If deemed willful, penalties can reach 50% of account balances or \$100,000 per violation, whichever is greater.

EXPOSURE:

Minimum penalty exposure: \$30,000 (3 years × \$10,000)

Maximum if willful: £240,000+

Relevant WS Module: Cross-Border Compliance

Structural Inefficiency

PRIORITY 2 Withholding Tax Leak on US-Source Income

FINDING:

Your UK Ltd receives \$180,000 annually in consulting income from US clients. As a UK company without proper treaty documentation (W-8BEN-E), US clients withhold 30% on payments.

IMPLICATION:

You are overpaying \$54,000/year in US withholding tax. Under US-UK tax treaty, this rate should be 0% for business services if properly structured and documented.

EXPOSURE:

30% WHT leak = \$57,000 annual overpayment

3-year total: \$172,000 recoverable with restructuring

Relevant WS Module: Best Business Structures

PRIORITY 2 Substance Deficiency in UAE Entity

FINDING:

Your Dubai FZ-LLC shows \$320,000 in revenue but lacks demonstrable substance. No local employees, no physical office beyond flexi-desk, director meetings held remotely from UK/Spain.

IMPLICATION:

Under BEPS Action 5 and UAE Economic Substance Regulations, this entity may fail substance tests. Risk of challenge from both UAE authorities and your residence jurisdictions (UK/Spain) treating it as a shell company and attributing income to you personally.

EXPOSURE:

Potential income reallocation could trigger \$45,000-£85,000 in additional personal tax plus penalties

Relevant WS Module: Best Business Structures

Recommended Pathway Forward

Based on the severity and timing of exposures identified in your diagnostic, we recommend the following engagement sequence:

IMMEDIATE

\$11,000 - \$16,000

Tax Residency Transition

6-8 weeks

Active dual-residency exposure requires urgent treaty tie-breaker application and formal exit planning from UK before April 5, 2026 tax year end.

IMMEDIATE

\$8,000 - \$12,000

Cross-Border Compliance

4-6 weeks

Missing FBAR and Form 5471 filings create penalty exposure. Delinquent filing procedures needed to minimize penalties.

HIGH

\$16,000 - \$24,000

Best Business Structures

8-12 weeks

Current structure bleeding \$43K/year in withholding tax. UAE entity substance deficiency creates risk.

Fee Credit Guarantee: If you proceed with any of these engagements within 60 days, your \$299 diagnostic fee is fully credited toward the engagement cost. Your total out-of-pocket for immediate modules would be \$19,000 - \$27,000 (after credit).

Next Steps

Step	Action	Description
1	Review This Report	Understand each finding and its implications for your specific situation.
2	Schedule Review Call	Book your 30-minute review call with our analyst (Enhanced tier) to discuss findings.
3	Decide on Engagement	Determine which priority modules you want to address and when.
4	Act on Quick Wins	Some items can be started immediately while you plan the full engagement.

Self-Service Quick Wins

While planning your full engagement, you can take these immediate actions:

- Request W-8BEN-E form templates from your UK accountant
- Begin documenting your days in each country for 2025
- Gather all foreign bank account statements from 2022-2024
- Schedule a call with your UAE entity formation agent about substance requirements

Important Disclaimer: This diagnostic is an analytical tool, not tax or legal advice. It identifies potential exposures based on data you provided, but does not constitute professional counsel. Formal advice requires a full Wanderlust Solvers engagement with comprehensive documentation review and jurisdiction-specific legal analysis.

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