

Case Study 1

Formulate transfer pricing policies for intergroup activities

Background and Challenges

- The client is a leading software solutions provider delivering technology solutions in the financial, telecom and utilities sector
- Major clients include Group subsidiaries and third parties
- Tax regulator challenges on the income to sister companies, the client seeks support to establish appropriate intercompany pricing policies

Solutions

- Helped the client to identify areas of compliance improvement and recommended commercial practicable pricing policies to implement
- Established a new and sustainable allocation model on service income, and intellectual property arrangement and achieved lower effective tax rates
- Managed tax risk positions from integrated multi-jurisdictional aspects

Why is this relevant to you?

- Transfer pricing has been an increasing topic of query and tax audit subjects in various jurisdictions around the globe
- Early planning and proper tax risk managed structure safeguard protective grounds for tax authority's query within the statute of limitation period
- Strategic opportunity to realign structures in a more tax advantaged and operational effective ways

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