

## Transfer Pricing

Control the risks and benefit from the value it can create



# The importance of Transfer Pricing

Transfer Pricing is the price at which goods and services are sold between associated enterprises. As the majority of the international trade takes place between allied enterprises, the Transfer Pricing range is enormous.

This phenomenon is gradually becoming more complicated as many countries have their own specific Transfer Pricing legislation. As a result, the tax authorities in these countries apply rigorous Transfer Pricing adjustment policies. Therefore many multinationals regard Transfer Pricing as the most important international tax issue.

It is widely recognised that Transfer Pricing can provide excellent tax saving opportunities but it can also give rise to significant compliance issues.

## The Opportunities...

The current global business environment has created issues for groups such as restricted cash flows, decreased and reduced credit availability. Transfer Pricing solutions can play an important role in addressing these issues.

Fiscal authorities are under tremendous pressure to maintain tax receipts in the current environment and increasingly recognise Transfer Pricing possibilities for revenue raising purposes. There has been a rapid growth in the number of jurisdictions expanding their Transfer Pricing capabilities by introducing new legislation and recruiting specialist auditors.

Businesses need to take action to address Transfer Pricing compliance risks, or face potential exposure to challenges which can cost considerable amounts in terms of management time and reputation as well as additional tax liabilities and penalties.

## ... and Benefits

Utilising opportunities provided by Transfer Pricing can provide benefits such as:

- A lower effective tax rate;
- Relief for stranded losses;
- Better cost control; and
- Improved cash flow.

An effective risk management strategy should provide certainty that Transfer Pricing exposures are managed efficiently and give assurance that the policy can be supported if challenged.



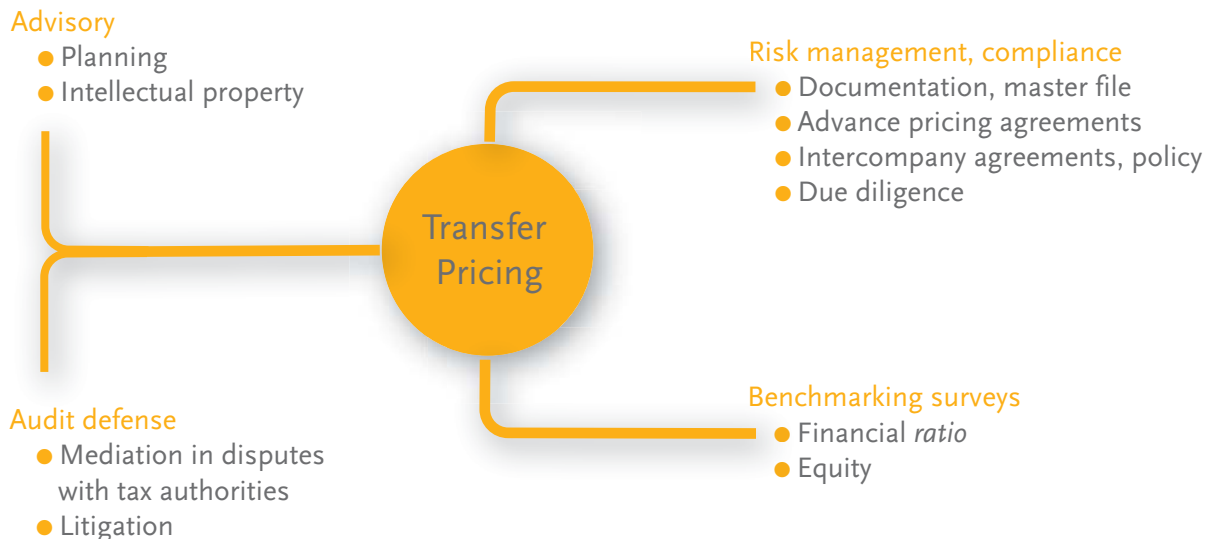
# Mazars Transfer Pricing service offering



The client's interests always first in mind, Mazars offers cost effective support. By using a diagnostic approach, we are able to quickly discover the Transfer Pricing points of interest. For larger enterprises, we can set up a group documentation file by using the EU-Master file, as a result of which separate initiatives at subsidiaries are no longer necessary.

In order to ensure a commercial focus of our Transfer Pricing activities at enterprises, all our activities are executed in close co-operation with both the enterprise and its liaison with Mazars.

The Transfer Pricing work we do is both practical and value added as well as commercially relevant.



## Our international Transfer Pricing team

Mazars, with a presence in over 50 countries, is an international, integrated and independent organisation, specialised in audit, accounting, tax and advisory services. Mazars is one organisation, not a network.

Mazars' international tax specialists can provide truly tailor-made Transfer Pricing solutions. Our experience in this field provides us with a broad and deep knowledge of the solutions that have proved successful with clients across various industries. It also has given us excellent insight into the policies and procedures adopted by tax authorities.



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