

## Transfer pricing

An increasingly complex global issue

Grant Thornton 

**Licensing**

**New documentation**

Related party transactions

**Inspection**

**MULTIPLE JURISDICTIONS**

**Financing**

**transactions**

**LICENSING**

**“When I began working with the Grant Thornton consultants...I realised that we were working with experts who had in-depth knowledge of our business and industry. This expertise has provided us with cost effective value added services including successful representation of the company during our transfer pricing audit. By working with Grant Thornton, we see clear results and the establishment of a strong relationship.”**

**Christophe Germain** CFO, Aventis Pharma Limited

Working with Grant Thornton India

**“I have been impressed by Grant Thornton’s practical approach to transfer pricing. They have significant expertise and international experience giving us clear answers that we can implement easily and feel comfortable with in each region. They have the skills to help us with complex funding and intellectual property issues and work as a team so that the wider tax implications are always taken into account. They understand our business and we can draw on their expertise at any time.”**

**Ronan Dowling** Group Head of Tax, Kingspan Group plc

Working with Grant Thornton member firms in Europe

# Transfer pricing continues to top the list of international tax issues that affect multinationals

Transfer pricing is an increasingly complex issue facing international businesses, as more countries are recognising the importance of the issue and are developing their transfer pricing laws. Consequently, businesses must ensure they offer transparency in all aspects of intercompany pricing arrangements between related business entities. For example, the sale of goods or services between functional divisions within any one company, or between parent organisation and foreign subsidiaries. This includes the transfer of tangible goods or property, the provision of services, the licensing of intangible property and financing transactions.

Growing international businesses need to examine their related party transactions to ensure that they comply with the transfer pricing laws of each country in which they operate. Compliance with the differing requirements of multiple tax jurisdictions is a complicated and time consuming task, hence organisations are seeking local advice from experts in this area to make certain that they satisfy all local legislation.

Tax authorities in each country strive to ensure that transfer prices have not been set such that profits have been manipulated to avoid tax. They are imposing stricter penalties, new documentation requirements, increased information exchange and increased audit and inspection activity.

Grant Thornton member firms understand that multinational tax challenges are among the most complex and expensive issues facing companies with international operations, which is why they are dedicated to delivering transfer pricing advice that addresses your concerns and meets your business objectives.

Member firms work together, always taking the wider tax implications into consideration. Their multidisciplinary, practical and efficient approach to transfer pricing involves gathering facts, examining all available economic data, making strategic decisions and implementing solutions. These efforts

**Ian Evans**  
Global Head of Tax, Grant Thornton International

yield pricing policies that are both tax efficient and supportable.

An annual review of your transfer pricing methods helps to ensure that they remain effective and up to date with changing tax laws.



“Transfer pricing is one way in which tax authorities are going to make money from organisations operating in multiple jurisdictions. Member firms across the globe are working...

“I have been very impressed with the professionalism and breadth of knowledge that Grant Thornton has brought our tax authority transfer pricing audit and documentation.”

**Bryan Peterson**

VP Tax Worldwide, SITEL Corporation

Working with Raymond Chabot Grant Thornton, Canada

**Businesses face a number of complex issues:**

- managing worldwide transfer pricing policies and procedures efficiently
- documentation requirements in multiple jurisdictions
- tax authority transfer pricing audits or enquiries
- Advanced Pricing Agreements (APA) versus defensive documentation
- taking a more strategic view of the business, for example from a supply chain management perspective.

**Addressing your business needs**

As leading tax advisers, Grant Thornton member firms understand the need to comply with transfer pricing legislation in a way that is both cost effective and does not waste management's time.

Transfer pricing specialists provide comprehensive solutions tailored to your needs, taking business objectives and the exact nature of the transactions into consideration. The process may include the following:

- **a fact finding exercise** – analysis of the functions performed and risks assumed by each entity
- **selection of the appropriate transfer pricing method** and identification of the tested parties
- **benchmarking analysis** – comparable companies are identified using both global and local databases, and an economic and financial analysis is conducted
- **documentation** – results are collated into a report and the required documentation is prepared
- assistance with **related party disclosures**
- **negotiating APAs** on your behalf
- **dispute resolutions** – assisting your company in defending your transfer pricing policies before the tax authorities
- **international compliance assessment** to meet standards in other jurisdictions
- **transfer pricing risk assessment**
- **transfer pricing planning.**

“I was very pleased with the excellent, responsive service provided by Grant Thornton's US and Canadian transfer pricing specialists on a Competent Authority case. The case was settled favourably based on a special study prepared by Grant Thornton. Their consulting in new markets has greatly assisted USANA.”

**Sidney S Williams**

Director of Tax Services, USANA Health Sciences Inc

Working with Grant Thornton member firms in the US and Canada


...together to help businesses plan their affairs and defend their positions on intercompany transactions.”

**Ian Evans** Global Head of Tax, Grant Thornton International

Grant Thornton International is a leading international organisation of independently owned and managed accounting and consulting member firms providing assurance, tax and specialist advisory services.

Experienced professionals combine this invaluable local market knowledge with technically advanced systems to help businesses prosper in today's highly competitive international markets.

Firms operate in 112 countries in 519 offices worldwide. They share a commitment to providing the same high quality service to their clients wherever they do business.



If you would like more information on transfer pricing, please contact:

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