


# TRANSFER PRICING

## Optimised Global Solutions

A close-up, low-angle shot of a vintage-style globe on a brass stand. The globe is tilted, showing parts of Asia and the Pacific. The map is yellowed with age, and the stand has ornate, turned legs. The lighting is warm and focused on the globe, with a soft shadow on the surface it sits on.

With the rise in cross-border transactions between group companies and stringent norms imposed by governments across the globe, transfer pricing has become one of the biggest tax risks for multinational enterprises (MNEs). Compliance with the varying requirements of multiple tax jurisdictions is challenging. In addition, recent changes by the Organisation for Economic Cooperation and Development (OECD) in the area of Base Erosion and Profit Shifting (BEPS) have made it imperative for MNEs to find efficient yet legally acceptable transfer pricing solutions.

SKP's transfer pricing team offers a full range of transfer pricing services, independent advice, and global solutions for MNEs. Our services are designed to achieve your business objectives and assist you in navigating through the labyrinth of global transfer pricing regulations.



# OUR SERVICES

Our hands-on approach enables us to deliver robust, high-quality services whereby we are able to partner with you in your growth. Besides extensive experience in providing solutions for small and medium enterprises (SMEs), we have successfully supported transfer pricing cases of larger MNEs as well. Streamlined operating structures, coupled with effective use of technology, allow us to be cost-efficient while delivering quality solutions.

## Devising a Global Transfer Pricing Policy

We assist MNEs in devising transfer pricing policies that meet business objectives as well as the arm's length criteria, which ultimately reduces the group's transfer pricing risk while balancing global regulations. We also assist MNEs in the successful implementation of the policy while ensuring that the devised system is operational and efficient in achieving the intended objectives. With our partnering approach, we offer solutions to numerous practical issues that must be identified whenever a transfer pricing policy is implemented.

While designing the policy we attempt to provide holistic solutions, keeping in mind issues such as international tax, permanent establishment (PE), withholding tax and other regulatory requirements.

In case you have a group transfer pricing policy in place, we can review it in order to analyse potential risks and provide advice for aligning it with local country-specific requirements.

## Tax-efficient Supply Chain Management

Tax-efficient supply chain management entails restructuring of business processes to achieve operational as well as tax efficiency. Our team, in coordination with other in-house subject-matter specialists, can assist you in optimising tax expenses at a group level and minimising tax and transfer pricing risks.

## Global and Local Transfer Pricing Documentation

Almost all developed and developing countries have implemented transfer pricing provisions that mandate organisations to document their transfer pricing policies. The only way to avoid stringent penalties is through conducting financial and economic studies and documenting the results in a manner that is acceptable to tax authorities. We can assist you in developing global and country-specific transfer pricing documentation in accordance with OECD guidelines and local requirements.

## Benchmarking Studies

The onus for adhering to regulations can be discharged only with the help of documentation containing benchmarking studies on acceptable databases. With subscriptions to the Bureau Van Dijk (BvD) and other global databases, we provide benchmarking services, which include identifying an arm's length range of prices and operating profits and/or testing the appropriateness of your transfer pricing policy.

## Competent Authority Negotiations, APAs and Litigation Support

Tax authorities are increasingly challenging the pricing of international related-party transactions. Our experienced team is well equipped to protect your interests and defend your transfer pricing policy before the Advance Pricing Agreement (APA) and other competent authorities. Furthermore, our team deals with litigation cases before the entire hierarchy of revenue authorities in India.

## Special Transactions

SKP's global transfer pricing services span all areas of inter-company transactions, including financial transactions such as loans and guarantee pricing, royalties and other payments for intangibles. Our expertise also lies in cases of Cost Contribution Arrangements (CCAs), management fees and other special intra-group transactions.

## Valuation

Our team can assist clients in establishing a fair valuation of businesses and/or intellectual property associated with business restructuring or mergers and acquisitions.

## BEPS Compliances

Our Services are designed to equip you with adequate safeguards against BEPS measures and minimize the potential risks of non-compliance.

We offer end-to-end services around the new transfer pricing requirements, including the evaluation of the existing transfer pricing policies, transfer pricing planning for new products/services/intangibles, analysing internal transfer pricing systems and procedures and creating a three tier documentation through the Master file, Local files and Country-by-Country (CbC) report.



# OUR EXPERIENCE

## Some of Our Work

- Formulated a transfer pricing policy **balancing Indian and UK regulations** for an Indian multinational software company resulting in an effective tax rate of 1.59% for the group
- Assisted a US-listed publishing company in **formulating a global transfer pricing policy** with respect to intra-group transactions with its Indian subsidiary and maintaining documentation under US and Indian regulations
- Advised one of the largest shipping companies in the world on **changing their transfer pricing policy** to remunerate its subsidiary from percentage-based commission to cost-plus, leading to substantial tax savings
- Advised a listed Indian company (the largest paint manufacturer in India) with 23 subsidiaries overseas in **formulating an intra-group management fee policy from the transfer pricing perspective**
- Advised a speciality packaging company having various subsidiaries across the globe on alternative approaches to **formulate arm's length guarantee charges/fees**
- Assisting an Indian listed pharmaceutical MNE in **restructuring its supply chain** thereby making the structure tax-efficient – both from a corporate tax and indirect tax perspective

## Why SKP

- Over two decades of focused experience in transfer pricing and international taxation and five decades of experience in corporate taxation
- Dedicated transfer pricing team of 35+ professionals includes chartered accountants, economists, management professionals, cost accountants and lawyers
- Listed among the **leading tax firms in India** in International Tax Review's **World Tax** guide (a Euromoney publication) consecutively for eight years from **2009 to 2016**
- Listed among the leading **transfer pricing firms in India** in TPWeek's **World Transfer Pricing** guide from **2014 to 2016**
- Strong litigation experience and understanding of positions and practices adopted by tax authorities
- Experience across diverse industry verticals
- Access to leading global benchmarking databases from BvD
- Act as a single point of contact for your group's global transfer pricing requirements and coordinate with our network of consultants across countries if required
- Provide personalised solutions that suit the facts/circumstances of your case

## About Us

SKP is a long established and rapidly growing professional services group located in six major cities across India. We specialise in providing sound business and tax guidance and accounting services to international companies that are currently conducting or initiating business in India as well as those expanding overseas. We serve over 1,200 clients including multinationals, companies listed on exchanges, privately held and family-owned businesses from 50 countries.

From consulting on entry strategies to implementing business set-up and M&A transactional support, the SKP team assists clients with assurance, domestic and international tax, transfer pricing, corporate services, and finance and accounting outsourcing matters, all under one roof. Our team is dedicated to ensuring clients receive continuity of support, right across the business lifecycle.



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