



RSM Netherlands

International Services



Transfer Pricing
Effective Business Solutions

Transfer pricing - a growing concern

Transfer pricing is one of the most important international tax issues facing multinational corporations, whatever their size.

Over the past decade, transfer pricing has captured the attention of tax authorities worldwide, keen to ensure their fair share of global tax revenues.

Back in 1994, just two countries enforced formal transfer pricing rules. Today, most developed and developing countries have introduced transfer pricing rules. For global operating companies the risk of being challenged on their transfer pricing practices is mounting fast.

Don't take chances...

Organizations failing to fulfil the required standards risk incurring high financial costs in terms of additional taxes, interest and penalties levied by the tax authorities.

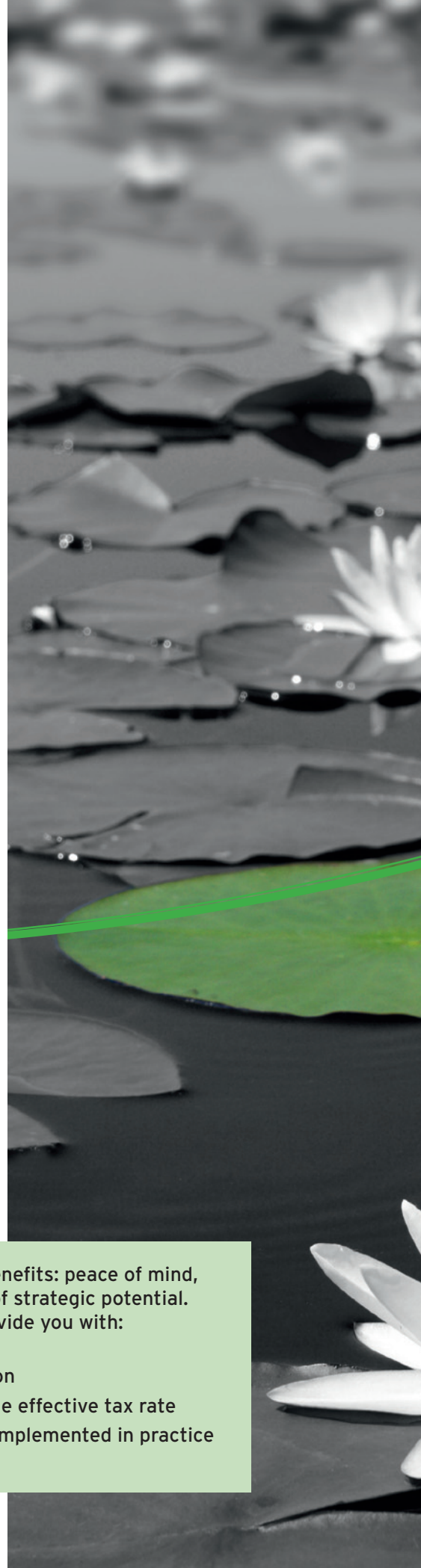
Lost management time and the likelihood of greater scrutiny in subsequent years should also be considered.

...Create opportunities

At RSM Netherlands, we view transfer pricing as an opportunity for cross border operating companies to help minimize global tax liabilities, maximize business opportunities and, where appropriate, identify the optimal tax structure. In that respect, RSM Netherlands has developed a 5 step process.

Our 5 step process delivers three vital benefits: peace of mind, proof of compliance and an assessment of strategic potential. The results of our 5 step process will provide you with:

- » minimisation of risk of double taxation
- » opportunities to reduce the worldwide effective tax rate
- » support documentation that can be implemented in practice





Our 5 Step process



Step 1. Understand your business

Together with you and your team, we will perform an in-depth assessment of the intercompany transactions. We will analyze how each relevant intercompany transaction was developed, the parties involved, their business characterization, the functions performed and the risks assumed by each party.

Step 2. Identify best transfer pricing method

Based on our understanding of your business model, we will select the most appropriate method for your company's related party transactions to test the arm's length nature.

Your transfer pricing solutions

During our 5 Step Process, we will evaluate the tax structure as well to ensure that the most tax efficient model is pursued. We aim to identify opportunities to reduce your global tax liabilities.

Step 3. Determine arm's length pricing ranges

Using the most appropriate transfer pricing method identified under step 2, we will determine the arm's length price ranges. We will also test the company's current position within such price ranges and make recommendations with respect to any necessary modifications.

Step 4. Documentation

We will prepare a report to document the process undertaken so far and the conclusions reached.

The report may be used to:

- Provide up-to-date documentation required by tax authorities.
- Minimize the risk of double taxation and tax audit adjustments.
- Identify new opportunities and recommend new solutions for global tax minimization.

Step 5. Implementation

The process does not stop with the documentation of results. We are able to assist with the translation of the result of the transfer pricing process undertaken so far into the day-to-day business operations. Practical implementation issues will need to be discussed with the financial department and legal contracts need to be reviewed and brought in line with transfer pricing documentation.

Creating value for clients

RSM Netherlands is a member firm of RSM International, the sixth largest network of accounting and consulting firms in the world operating in more than 80 countries with over 32,500 employees. We have a dedicated transfer pricing team that renders transfer pricing services to global operating companies in different business sectors and industries. We are part of a large network of transfer pricing specialists and have extensive experience in managing cross border transfer pricing issues.

We offer a wide range of transfer pricing services such as:

- Transfer pricing quick scan that provides a high level screening of the existing global transfer pricing policy and includes recommendations to manage global transfer pricing risks and identify opportunities.
- Design of (global) transfer pricing systems to meet commercial needs and to mitigate global transfer pricing risks.
- Preparation of a global masterfile and country specific documentation in accordance with OECD transfer pricing guidelines and country specific requirements.
- Value chain optimization that meets commercial requirements and involves the reduction of world wide effective tax rate using advanced transfer pricing techniques and effective use of local tax incentives.
- Assist companies with the preparation and filing of advance pricing agreements to obtain advance certainty from tax authorities.
- Advise companies on strategic business restructurings involving cross border rationalization, liquidation or transfer of business operations.
- Provide calculation tools for financial departments to determine the financial gap between the actual outcomes and the (theoretical) benchmark ranges as determined in the transfer pricing documentation. Subsequently, we provide a gap analysis and tools to bring the actual outcomes in line with the transfer pricing documentation.

Local knowledge, global solutions

We provide highly experienced transfer pricing specialists offering a one-stop approach to cross-border projects. You can count on:

- **Dedicated teamwork**
Integrated transfer pricing team, working to a coherent brief.
- **Access to global experts**
Access to a global team of RSM transfer pricing specialists in providing global transfer pricing solutions.
- **Strategic thinking**
Best practice solutions and access to the RSM Centre of Excellence on Transfer Pricing.
- **Consistently high standards**
All RSM staff are trained to common practices, protocols and ethics.
- **A single point of contact**
A lead partner, whose role is to ensure that you receive the best possible service.



Think global, act local

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