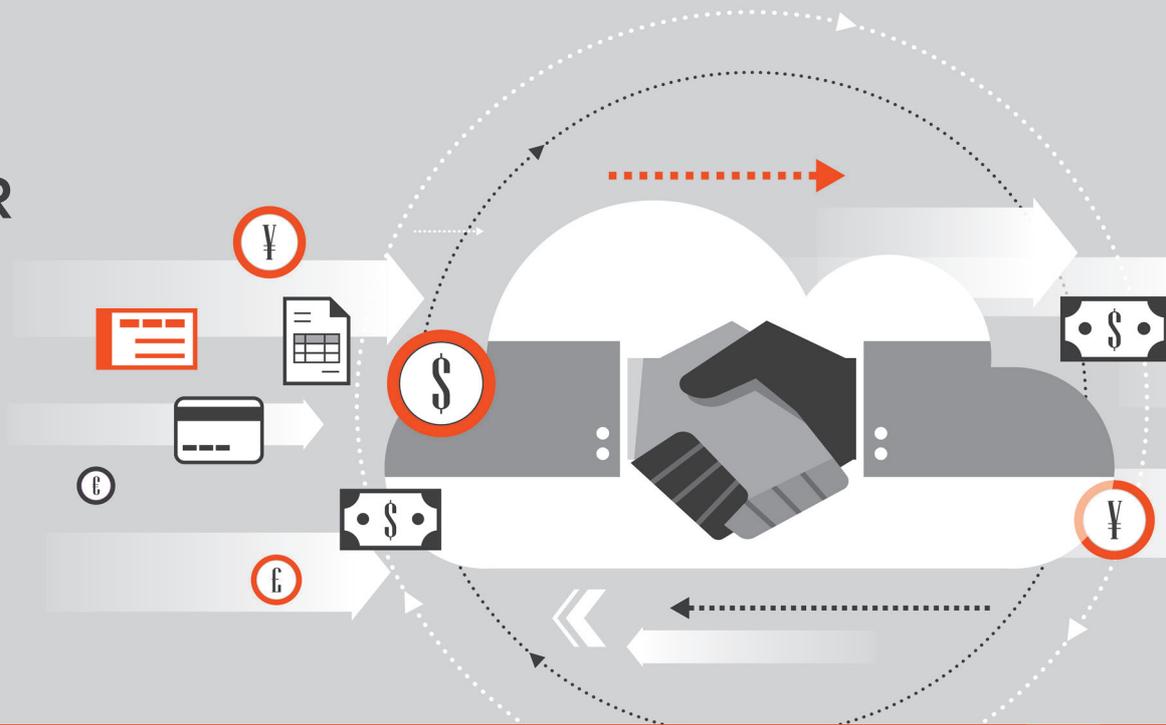


CASE STUDY

TRANSFER
PRICINGA STREAMLINED APPROACH TO
TRANSFER PRICING DOCUMENTATION

Tailored governance process for Transfer Pricing documentation helps leading private equity firm ensure tax compliance and overall cost efficiency.

Our Client

A leading European private equity firm investing in companies throughout Europe with combined sales of more than €14bn.

Initial Challenges

The client was legally required to produce Transfer Pricing (TP) documentation for various entities across Europe. They had historically handled this requirement in-house, but the result was fragmented, individually-drafted studies that were inconsistent in both approach and outcome. This resulted in the client being exposed to the risk of challenge from tax authorities.

Our Solution

Alter Domus first reviewed the client's past Transfer Pricing reports to identify opportunities to increase efficiency and robustness from an audit defense perspective. We then developed a customized solution for the client that ensured full compliance with all legal Transfer Pricing documentation requirements. The solution was aligned with industry best practices and based on guidance received from tax authorities.

Alter Domus' Transfer Pricing Team then drafted Transfer Pricing reports with a consistent methodology, taking both historic risk and the client's future structures into account. The client was then able to implement a full governance process, ensuring they remained in full control of all TP matters going forward.

Roadblocks

In order to have this new approach to Transfer Pricing documentation approved, Alter Domus sought internal buy-in from the client's key decision makers. To establish trust between organizations, key members of the Transfer Pricing Team attended the client's board meetings to fully outline their approach. After eventual approval and implementation, board meeting attendance continues to this day on a semi-annual basis, solidifying a transparent, structural partnership between the client and Alter Domus.

Results

The client has fully implemented the processes necessary to ensure governance over their Transfer Pricing matters. It's now in control of all TP matters, ensuring compliance and cost efficiency. In the first year, the client secured significant business savings of €300,000 and reduced their compliance costs. Today, the client conducts their business with the assurance that their Transfer Pricing matters are handled in a streamlined, efficient and accurate manner.

AT A GLANCE

Company Profile

Private equity firm with investments in companies across Europe

Challenges

Individually drafted Transfer Pricing studies resulting in excess tax risk exposure

Solution

Transfer Pricing governance process implementation and document creation

Results

Greater transparency, cost efficiency and savings

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