

International Tax Alert

Navigate the Increased Scrutiny of Transfer Pricing with Confidence

By David Slemmer, Principal

As the global economy expands into every corner of the world, fiscal authorities are seeking more effective ways to protect their tax bases. Closer controls over transfer pricing — which are the charges incurred in an intracompany transfer from one division to another or intercompany transactions between related legal entities — has become an increasingly frequent part of the strategy of taxing authorities and many have intensified their scrutiny of transfer pricing issues to claim their share of tax revenues. [A similar landscape exists for U.S. companies with state-to-state operations.]

Background

In light of the Organisation for Economic Co-operation and Development's ("OECD") base erosion and profit shifting ("BEPS") initiative, taxpayers now more than ever need to have an appropriate and effective transfer pricing policy, the ability to comply with documentation and country-by-country reporting requirements, as well as a strategy for responding to related inquiries. These can be extremely time-consuming and, without them, can lead to tax adjustments, penalties, interest charges, and even negative publicity.

Enter PKFOD

Specifically, the transfer pricing professionals of PKF O'Connor Davies can assist you with:

- **Planning:** Developing economically supportable transfer pricing policies and the execution of sustainable tax planning.
- **Compliance and documentation:** Analyzing and documenting the transactions between related parties for consistency with the arm's-length principle for tax purposes.
- **Implementation/operational transfer pricing:** Advising on and assisting with developing and implementing policies, procedures, and systems for setting, monitoring, and documenting intercompany tax transactions.
- **Dispute resolution:** Helping to resolve transfer pricing disputes through various services, including transfer pricing examinations, appeals and alternative processes, advance pricing agreements, the competent authority process, and arbitration.

Our PKF International Network

Multinational organizations are operating in an environment of unprecedented complexity. The rising volume and variety of intercompany transactions and transfer pricing regulations, accompanied by increased enforcement activities worldwide, have made transfer pricing a leading risk management issue for global businesses.

As members of PKF International, we are supported by global transfer pricing professionals through member firms around the world, helping us look beyond borders and enabling us to understand the nuances of different national regulations.

PKF International — with member firms in over 150 countries worldwide — has a well-earned reputation for quality and delivering results.

Contact Us

Let PKF O'Connor Davies, LLP be your first choice for transfer pricing matters. You can contact any of the following or your tax partner at PKFOD:

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About PKF O'Connor Davies

PKF O'Connor Davies, LLP is a full-service certified public accounting and advisory firm with a long history of serving clients both domestically and internationally. With roots tracing to 1891, nine offices in New York, New Jersey, Connecticut and Maryland, and more than 700 professionals, the Firm provides a complete range of accounting, auditing, tax and management advisory services. PKF O'Connor Davies is ranked 28th on *Accounting Today's* 2017 "Top 100 Firms" list and is recognized as one of the "Top 10 Fastest-Growing Firms." PKF O'Connor Davies is also recognized as a "Leader in Audit and Accounting" and is ranked among the "Top Firms in the Mid-Atlantic," by *Accounting Today*. In 2017, PKF O'Connor Davies was named one of the 50 best accounting employers to work for in North America, by *Vault*.

PKF O'Connor Davies is the lead North American representative in PKF International, a global network of legally independent accounting and advisory firms located in over 400 locations, in 150 countries around the world.

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