
TRANSFER PRICING

BKD International & SALT Services

What is transfer pricing? Transfer pricing encompasses numerous types of intercompany dealings between related-party entities in different tax jurisdictions. It can include transfers of tangible property, intangible property, the provision of services, loans, leasing and other financing transactions.

With the increase in global trade, more than half the world's trade occurs within multinational enterprises. As a result, most major trading countries have enacted rules so that intercompany arrangements within multinational enterprises must be conducted on an arm's-length basis. Compliance with the differing requirements of multiple overlapping tax jurisdictions is a complicated and time-consuming task.

At the same time, tax authorities from each country are imposing stricter penalties, new documentation requirements, increased information exchange and increased audit activity. In an attempt to bolster compliance and increase tax revenues, exams by tax authorities cover companies of all sizes.

How Can BKD Help Me?

We offer six transfer pricing solutions:

Planning – Whether entering new markets, restructuring operations or reviewing transfer pricing policies, BKD can help multinationals develop and achieve tax-efficient strategies through transfer pricing planning. Throughout the process, transfer pricing practitioners work with our international and other tax consultants to provide comprehensive solutions.

Documentation – More than 50 countries, a number that is rapidly rising, require transfer pricing documentation to substantiate a multinational's intercompany transactions. Failure to maintain the proper documentation can often result in adjustments, penalties and interest. BKD works with clients to prepare the requisite documentation to help miti-

gate the risk of transfer pricing adjustments and penalties.

Dispute Resolution – In the event of an examination, BKD helps manage the examination and negotiates with tax authorities to resolve the dispute. Our team draws on its experience working for tax authorities or on past dispute resolution cases.

Advance Pricing Agreements – Multinationals can enter into advance agreements on their transfer pricing methodologies with at least one government body, to obtain forward clearance and/or resolve past transfer pricing disputes. BKD and our international alliance firms have experience helping clients obtain these agreements.

Intellectual Property Valuation – Valuation of intellectual property for tax purposes is necessary for business reorganizations and tax planning, such as cost-sharing arrangements. BKD understands how valuation of intellectual property for tax purposes can differ from traditional valuation approaches.



80+

Experience reach *from the largest member of Praxity, AISBL, a global alliance of independent firms serving clients in more than 80 countries.*

Risk and Opportunity Assessments – BKD provides objective reviews of a client’s current transfer pricing policies and practices, and provides guidance and recommendations on how to make them more robust from a retrospective and prospective viewpoint. This enables a subsequent transfer pricing review to be more focused and efficient.

Why BKD?

Our clients benefit from our dedicated team of experienced transfer pricing consultants and our alliance with the transfer pricing practitioners of Praxity, AISBL.

With BKD, you can count on a high level of partner and manager involvement in providing solutions. Our transfer pricing team will work closely with our international team to deliver the BKD Experience of unmatched client service.

About BKD International & SALT Services

BKD International & SALT services group, a division of **BKD, LLP**, one of the 10 largest CPA and advisory firms in the country, complements the tax expertise of local partners in our offices throughout the U.S.

We recognize that mid-sized as well as larger companies are players in the international marketplace, and we are committed to helping them compete successfully while complying with international tax rules.

Our SALT services division is uniquely situated to help you turn state and local taxes into an opportunity for real savings. Our team has extensive training in tax accounting, tax law, compliance, audit and economic development benefits.

For a complete list of our offices and subsidiaries and their contacts, visit bkd.com or call:

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