

TPA Global assisted a US headquartered client, engaged in the provision of digital economy/co-working facilities and designed a “BEPS proof” transfer pricing structure for the Group’s non-US operations. TPA Global provided the client with TP operational guidance to manage the structure. The project further included the negotiation of an APA, and the preparation of TP documentation of the structure.

Design

The TP design included the implementation of a “CV-BV” type of structure ratified by a unilateral APA in the Netherlands. During the APA procedure, TPA Global was in charge of the negotiations with the Dutch tax authorities.

In order to advise the client on the effective tax rate of the structure and any transfer pricing implications, TPA Global prepared a financial modelling including all necessary economic, financial and tax variables.

TPA Global together with a prestigious Dutch law firm was actively involved in drafting the legal agreements from a transfer pricing perspective capturing the negotiated structure.

Controversy/APA

To ensure the sustainability of the structure including the Dutch APA, TPA Global addressed all BEPS related considerations, i.e., new TP Documentation rules, CbC reporting regulations, digital economy developments, economic substance and risk management issues.

TPA Global addressed the tax and transfer pricing considerations deriving from the UK Diverted Profits Tax legislation put in force last April 1, 2015 for the Groups’ operations in the UK.

TPA Global prepared an audit trail manual, assisting the management of the Group with all variables to be taken into account to support economic substance at the level of BV.

TP Documentation

TPA Global documented the economic reality of the Group preparing a TP Masterfile for the non-US operations of the Group.

TPA Global’s Masterfiles are based on a modular approach, i.e., company analysis, industry analysis, functional analysis and economic analysis and can therefore be customized easily in a time and moneywise efficient manner for the preparation of the local TP files.

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