

# Transfer pricing

Experience, insight and value



## Our services

The laws surrounding transfer pricing are becoming ever more complex, as tax affairs of multinational companies are facing scrutiny from media, regulators and the public.

In the UK, the corporation tax self-assessment regime for transfer pricing makes the taxpayer responsible for verifying 'arm's length' prices on all related-party transactions, including UK to UK.

HM Revenue & Customs (HMRC) imposes interest and penalties for non-compliance, even if your company has made losses. So it's vital your business manages its transfer pricing obligations effectively. We're here to help you do just that.

### Managing your transfer pricing locally and globally

You can access our tailored solutions, from transfer pricing reviews and planning structures when going overseas for the first time, to business restructuring and profit attribution to permanent establishments.

You'll work with our UK team of transfer pricing and international tax specialists,

accountants and economists. You can also receive support from over 150 transfer pricing specialists via our network of member firms. This collaborative approach brings you integrated, pragmatic and effective global transfer pricing solutions and advice.

Our transfer pricing framework will help you overcome increasingly sophisticated challenges, and deliver relevant and sustainable transfer pricing services. We can help you make sure your transfer pricing implementation is fit for purpose today, and into the future.

### Who is affected?

Transfer pricing affects both medium and large businesses, which means transfer pricing is the most important international tax issue for global groups.

Your business should consider its transfer pricing policy where it has:



**International operations**



**Employees overseas**



**Intangible property**



**Intercompany transactions**



**Internal group financing**

# How can Grant Thornton help?

At Grant Thornton, we have a dedicated and experienced transfer pricing team. Our experts can ensure you are compliant with the UK transfer pricing legislation. We collaborate with our Grant Thornton International network of member firms to provide a robust global solution.

Our team can help you by understanding your business structure and your key value drivers. We can advise on the transfer pricing implications of your intra-group transactions, potentially identifying tax arbitrage savings and most importantly helping you document the arms length price of your intra group transactions. While UK transfer pricing legislation also includes transactions between UK companies within the group, the key focus of HMRC is typically on cross border transactions. We work regularly with our Grant Thornton International transfer pricing network in putting together a robust transfer pricing policy across all jurisdictions, particularly between UK and Ireland.



## 1. Functional analysis review

Typically, our work involves a functional analysis review of your business operations to understand how the business operates and the key value drivers.

## 2. Design and implementation

Following our functional analysis review, we help design and implement appropriate transfer policies across the group or modify existing policies, while cognisant of commercial sensitivities.

## 3. Sensible advice

We provide sensible advice on key issues, such as the pricing of Intangible Property (IP) and the allocation of profits/losses within a group. We also advise on ongoing transfer pricing developments, including work at Organisation for Economic Co-operation and Development (OECD) level on the role of the consumer and marketing intangibles in the appropriate allocation of profit between jurisdictions.

## 4. Documentation

We help design and implement global transfer pricing policies and procedures, together with the preparation of the appropriate supporting documentation supporting (including master and local files). Having the right documentation in place, in a timely manner, is critical in the event of a HMRC challenge.

## 5. Dispute resolution

We assist with the dispute resolution phase that takes place when HMRC challenge transfer pricing policies. This can be on an unilateral basis or in collaboration with our global transfer pricing teams, depending on the nature of the challenge.

# Key contacts for our dedicated international tax team include:



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