

## At A Glance

# Transfer Pricing Services

### Our Practice

We are transfer pricing experts who design and defend intercompany pricing policies grounded in sound business strategy and well-established economic principles, utilizing market-based pricing techniques, benchmarking studies, and rigorous valuation methodologies. The results are transfer pricing solutions that meet your business objectives, are defensible, and adhere to the arm's length requirements imposed by national tax authorities.

#### Business and Organizational Expertise

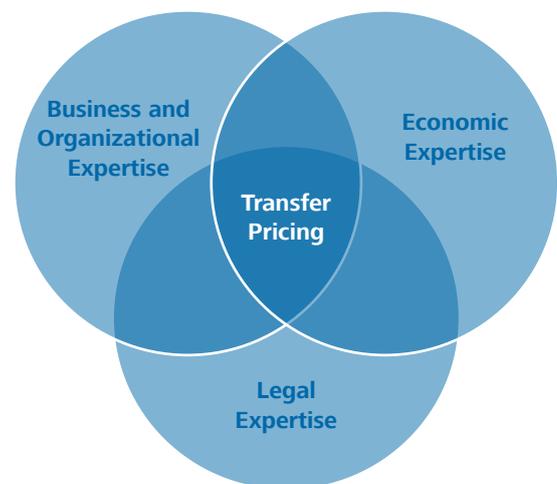
- Deep industry expertise
- Strategy, scenario analysis, and initiative planning
- Analytical and solution development expertise

#### Economic Expertise

- Deep expertise in the economics of transfer pricing
- Extensive experience in advisory, dispute, and compliance matters

#### Legal Expertise

- Experience working and partnering with the leading law firms and tax advisors that complement our economic expertise with top legal and tax insight



### Our Capabilities

Our unbiased approach can assist your firm by establishing sustainable and defensible transfer pricing policies, strategies, and procedures. Our team of economists provides insights and expertise in the following areas:

#### COVID-19 Response

The COVID-19 pandemic has highlighted the relevance of an accurate analysis of risk assumption. In particular, it has tested the allocation and responsibilities toward mitigation of the various categories of risk in an organization and throughout the supply chain. Our

economists effectively address questions raised by the pandemic by taking into account the risk profiles of transacting parties in the context of an analysis of contribution to value creation. This can help your business support decisions and analyses on the implications of the pandemic.

#### Value Chain Analysis

Understanding value creation is a must-have for any business. Value chain analysis aims to identify the activities that enable a company to maintain a superior level of profits and competitive advantage in the long

term. We use a unique four-step analytical process that helps our clients understand how value is being created, how individual entities take part in the joint value-creation process, what their respective contributions are, and how each of them operates and carries responsibility for relevant categories of risk.

### **Transfer Pricing Design**

We can help you design a transfer pricing system that is aligned with the overall value-creation process. Especially in the context of mergers and acquisitions and business restructurings, it is fundamental that the transfer pricing system accounts for value creation across entities, ensuring a transfer pricing system that is well founded and sustainable over time.

### **Valuation of Intangible Assets and Businesses**

We can assist in establishing arm's length valuation of intellectual property including technology intangibles, know-how, marketing and brand names, customer lists, and goodwill, for transfer pricing purposes. We can also provide expert valuations of businesses and underlying assets for purposes of business restructurings.

### **Financial Transaction Transfer Pricing**

We can conduct valuations in the context of restructurings, prepare defense files and documents, and support in disputes in all areas of financing arrangements, from treasury services, loans, and guarantees, to cash pooling, hedging, and captive insurance, among others.

### **Cost Contribution/Sharing Arrangements**

Recent court cases related to cost sharing arrangements and changes in the definition of intangibles following the Tax Cuts and Jobs Act of 2017 in the US have implications for existing and new cost sharing arrangements. We can assist you in designing a cost contribution system that is in line with your business operations and complies with the new requirements of regulatory pronouncements with respect to the calculation of the buy-in amount for the pre-existing intangibles and the scope and sharing of costs. By understanding your business, how value is derived, and where the costs are incurred, we can help structure arrangements that are aligned with the group's operational model.

### **Controversy and Litigation Support**

Our controversy support capabilities build on our long and established reputation as reliable independent expert witnesses and our ability to apply sound, market-

oriented, case-specific economic theory in the resolution of tax disputes. Our experience ranges from tax audit defense to litigation and international arbitration.

### **Advance Pricing Agreements**

We have substantial global expertise structuring the economic framework of advance pricing agreements (APAs) and bilateral and multilateral agreements, and assisting with negotiations between competent authorities (CA) involving the US, the UK, Canada, Japan, China, Australia, and the EU (including Germany, France, and Spain, among others).

### **Global Regulatory Services and Transfer Pricing Documentation**

Our global regulatory work focuses on helping clients analyze and document their cross-border intercompany transactions in accordance with the tax regulations in the countries in which they operate. We have decades of experience working under the OECD transfer pricing guidelines and under the auspices of the Internal Revenue Code in the US.

### **Our Work with Tax Authorities and Regulators**

Our independence and global reach are key assets when resolving complex tax and transfer pricing issues for regulators and tax authorities. We also partner with tax authorities to deliver training and create transfer pricing tools and materials to build local capacity.

## **About NERA**

NERA Economic Consulting ([www.nera.com](http://www.nera.com)) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For over half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. With its main office in New York City, NERA serves clients from more than 25 offices across North America, Europe, and Asia Pacific.

## **Contact**

For more information or to contact our experts, please visit [www.nera.com/transferpricing](http://www.nera.com/transferpricing).