

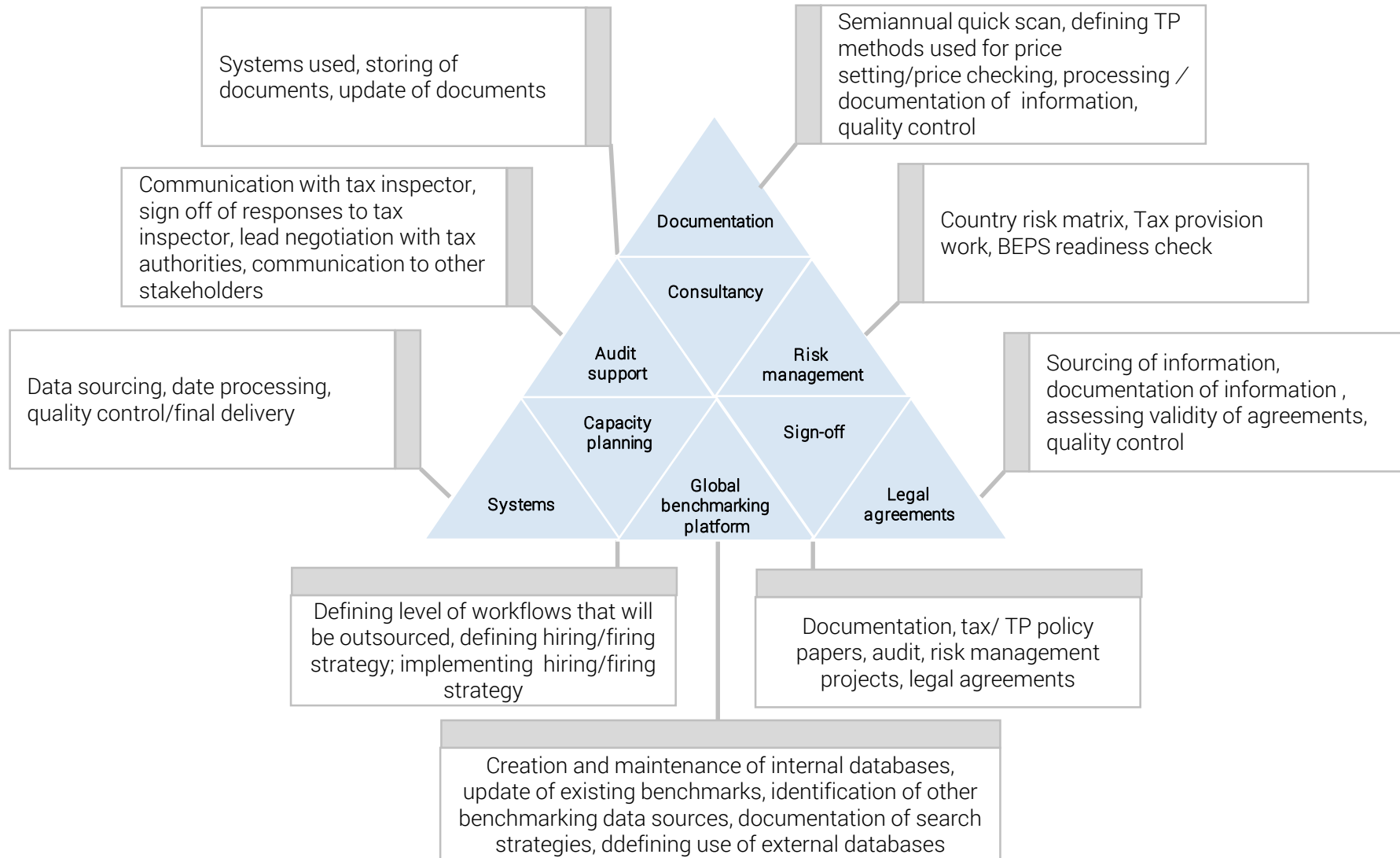
# TPA Global Top Ten Solutions

# Top Ten TP Specific Solutions - Overview

# 1. Are you in control on tax/TP?

TPA offers a solution to MNEs to be in control of their organizational and operational aspects of tax/TP workflows through design and implementation of a tax/TP framework.

# Example: Being in control - Nine building blocks of a successful TP function (1/2)

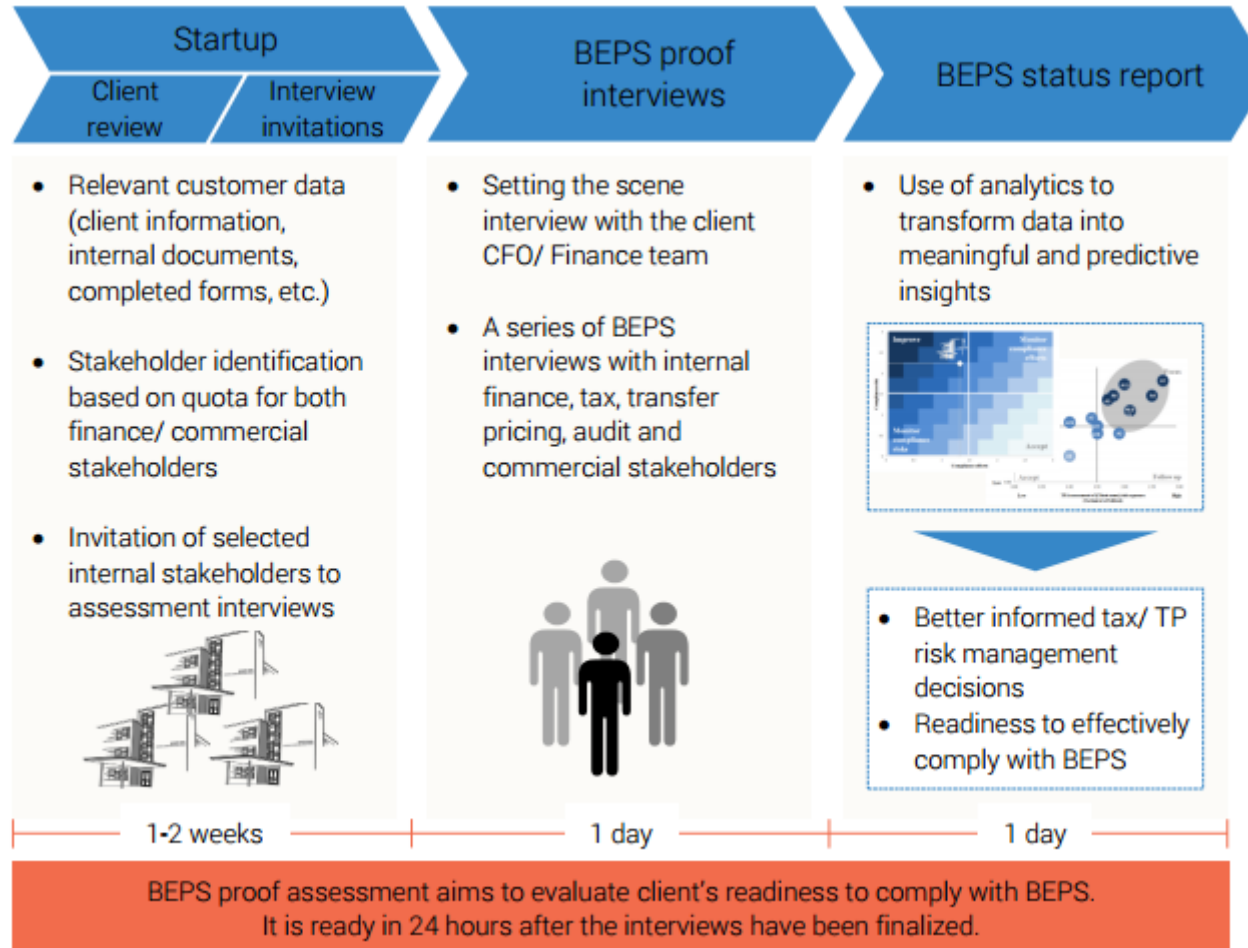


## Example: Being in control – RACI matrix (2/2)

	Head of Tax	Head of TP	Central tax/ finance team	Local tax/ finance team	Legal team	Business team	...
1. Development/maintenance of TP documentation							
2. Consultancy – Advisory and implementation							
3. Audit support							
4. Risk Management							
5. Systems (central data management & retrieval)							
6. Capacity planning – Insource/ outsource							
7. Global benchmarking platform (outsourced to third parties)							
8. Sign-off TP documents							
9. Legal agreements- set up and implementation							

*R (Responsible):* Person who is assigned to perform part or all of the work, *A (Accountable):* Person who has the authority to sign off on the work before it is effective (ONLY ONE PERSON!), *C (Consulted):* Person who provides information or expertise necessary to complete the project, *I (Informed):* person who needs to be notified of results but need not necessary be consulted.

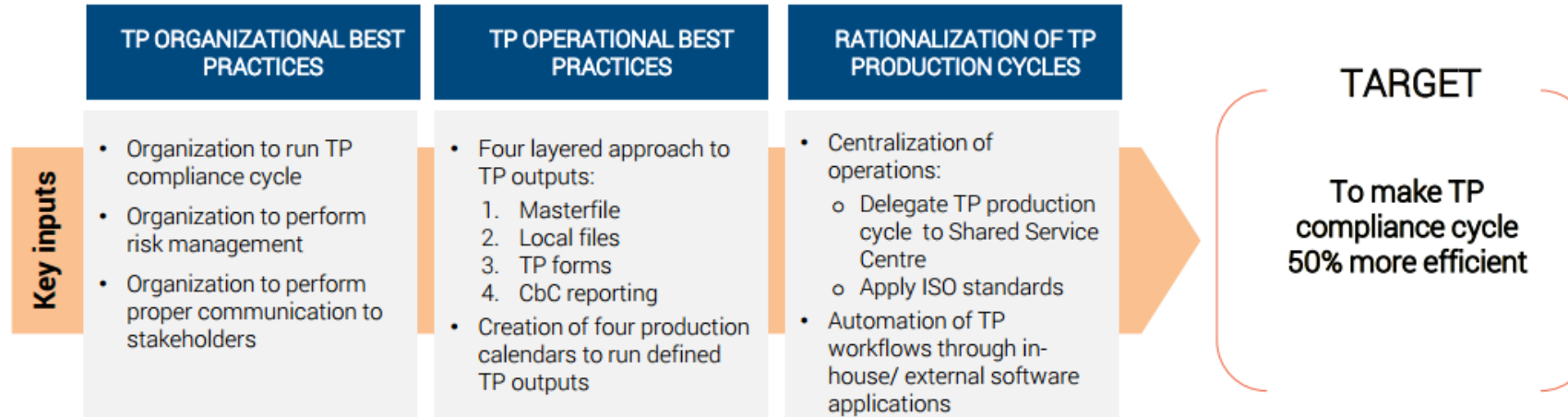
# BEPS Readiness Test



## 2. Standardisation + Centralisation + Automation – 3 'must haves' for Transfer Pricing

TPA offers solutions for standardisation, centralisation and automation of key TP documents.

# Introduction – TPA Global approach to moving Clients' TP compliance cycles towards higher efficiency



BEPS compliant organisation + automated software solutions = increased process and compliance efficiency by >50%



# Types of software applications

Functionality	MNEs need	Description
<b>TP system design and planning</b>	<b>Strategic &amp; Operational TP</b>	<ul style="list-style-type: none"> <li>• Draws inter-company relationships (design)</li> <li>• Links TP specialists' recommendations to financials (test)</li> </ul>
<b>TP capacity planning</b>	<b>Strategic &amp; Operational TP</b>	<ul style="list-style-type: none"> <li>• Assists in planning your insourcing/ outsourcing cycles</li> </ul>
<b>Benchmarking</b>	<b>Operational TP</b>	<ul style="list-style-type: none"> <li>• Automates comparable company searches</li> </ul>
<b>Consultancy</b>	<b>TP Knowledge</b>	<ul style="list-style-type: none"> <li>• Acts as a "Google" for transfer pricing</li> </ul>
<b>TP report writing</b>	<b>TP Compliance</b>	<ul style="list-style-type: none"> <li>• Generates standard TP documents, graphics, tables, etc.</li> <li>• Generates CbC reports</li> </ul>
<b>Audit process</b>	<b>TP Compliance</b>	<ul style="list-style-type: none"> <li>• Streamlines tax audit process</li> <li>• Records and maintains a log of all TP activities and calculations</li> </ul>
<b>Tax provisioning</b>	<b>TP Compliance</b>	<ul style="list-style-type: none"> <li>• Assists in reporting current and deferred income taxes</li> <li>• Runs global tax provision calculations</li> </ul>
<b>Data collection, retrieval &amp; conversion</b>	<b>TP Infrastructure</b>	<ul style="list-style-type: none"> <li>• Collects data in the right format</li> <li>• Allows for standardized reporting across jurisdictions</li> </ul>
<b>Workflow management</b>	<b>TP Infrastructure</b>	<ul style="list-style-type: none"> <li>• Embeds workflows into an IT platform</li> <li>• Enables automation of tax/ TP processes</li> </ul>
<b>Repository for documents</b>	<b>TP Infrastructure</b>	<ul style="list-style-type: none"> <li>• Contains streamlined and structured TP related information</li> <li>• Automates document management</li> </ul>

# Software functionalities

Functionality	Transfer Pricing for Hyperion (TPH)	Tax Series	TP Genie (TPG)	[X] View	FinApp Suite	Edgar Stat/RoyaltyStat
1. TP system design and planning	√	-	√	√	-	√
2. TP capacity planning	-	-	-	-	-	-
3. Benchmarking	-	-	-	√	-	√
4. Consultancy	-	-	-	-	-	√
5. TP report writing	-	√	√	√	-	-
6. Audit process	√	√	√	√	-	-
7. Tax provisioning	√	√	-	-	-	-
8. Data collection, retrieval & conversion	√	√	√	√	√	√
9. Workflow management	-	√	√	-	√	-
10. Repository for documents	√	√	√	√	-	√

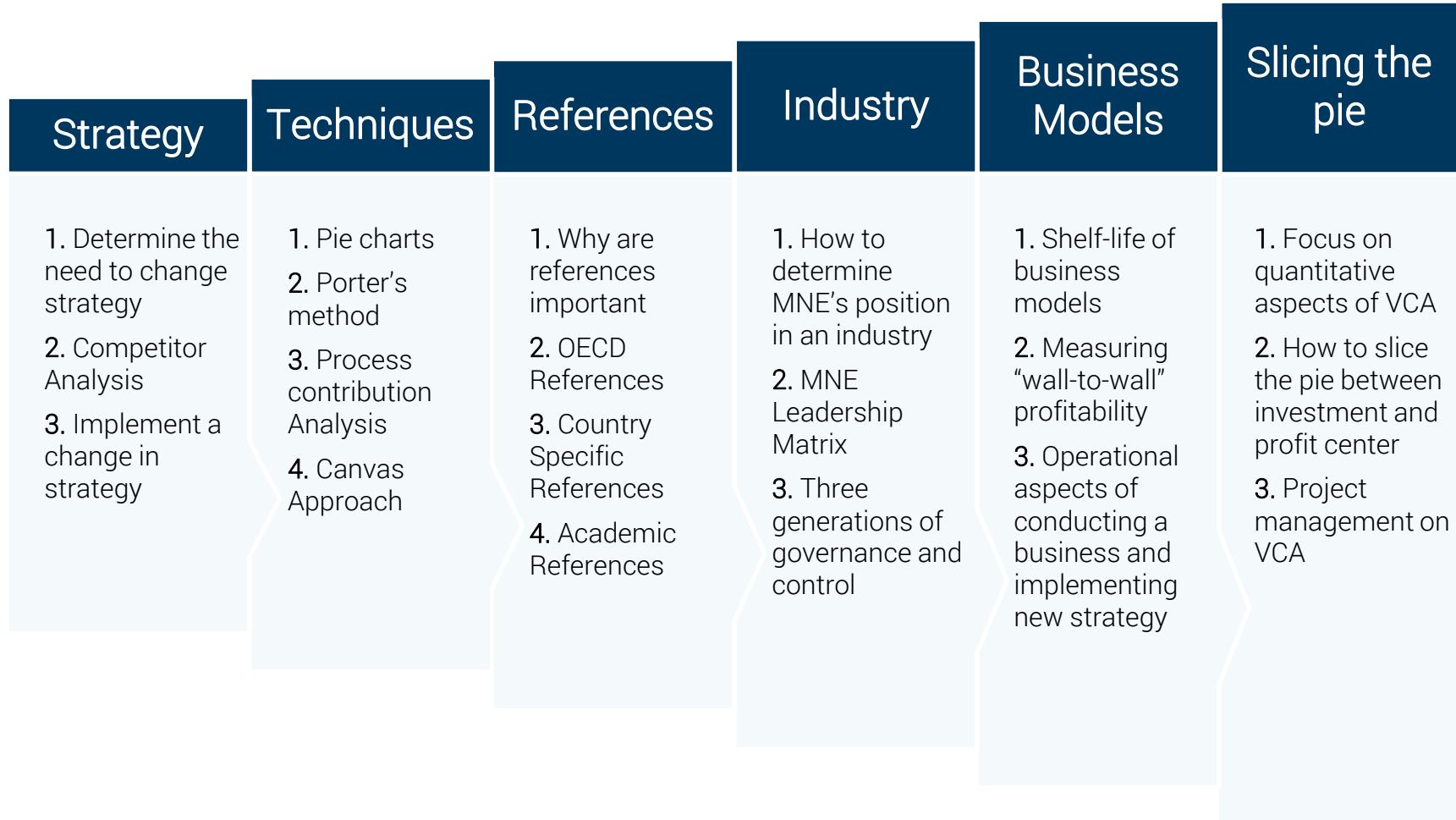
- Not available, √ - Ready to be used by clients

All functionalities of EdgarStat and RoyaltyStat are available only in relation to benchmarking and/or interpretation of comparables searches.

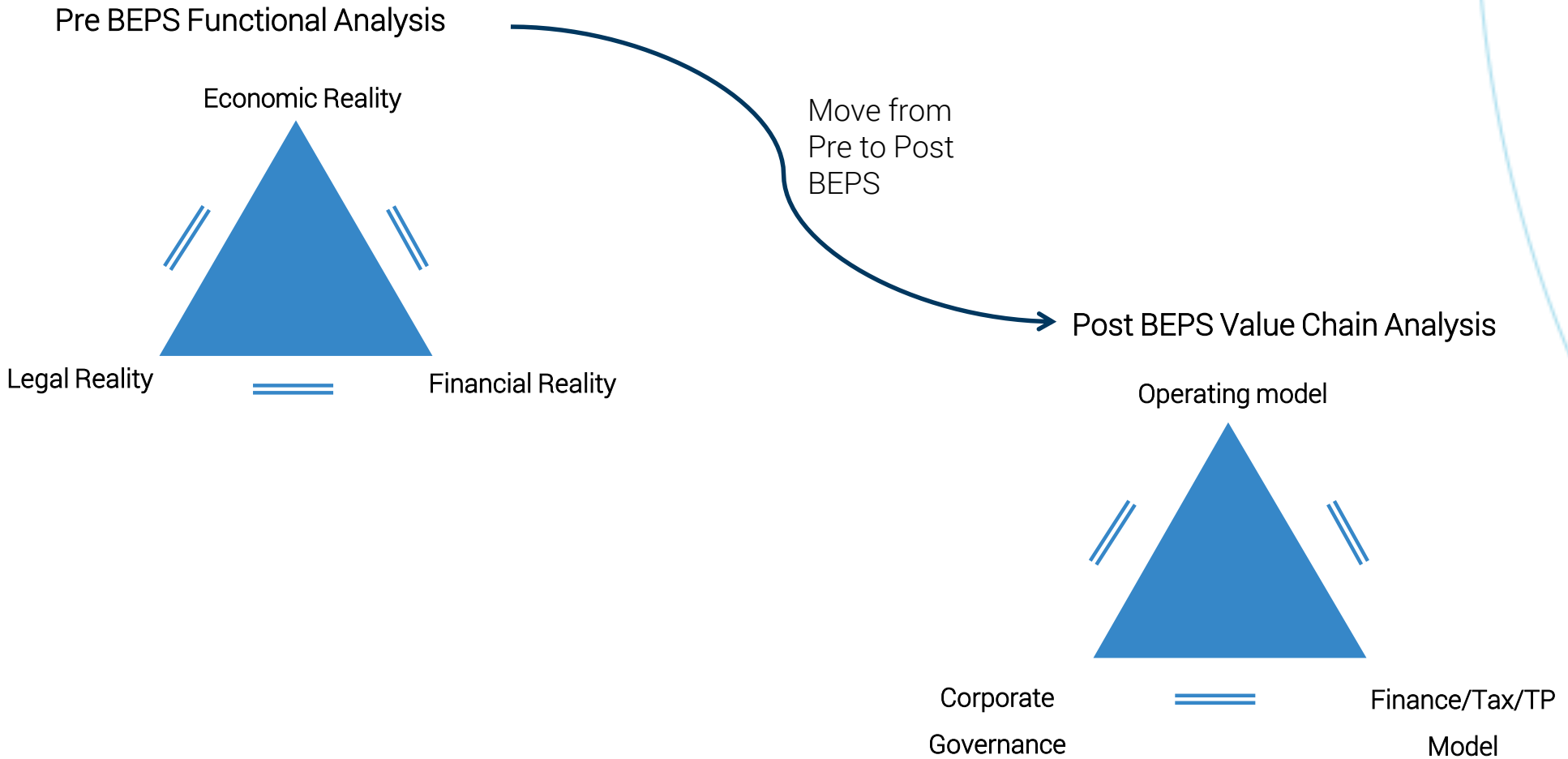
### 3. Value Chain Analytics – A bridge to align corporate governance and operating models with tax/TP

TPA offers VCA solutions including training and coaching, providing 4 techniques of VCA and automation through VCA software.

# VCA Service Offerings



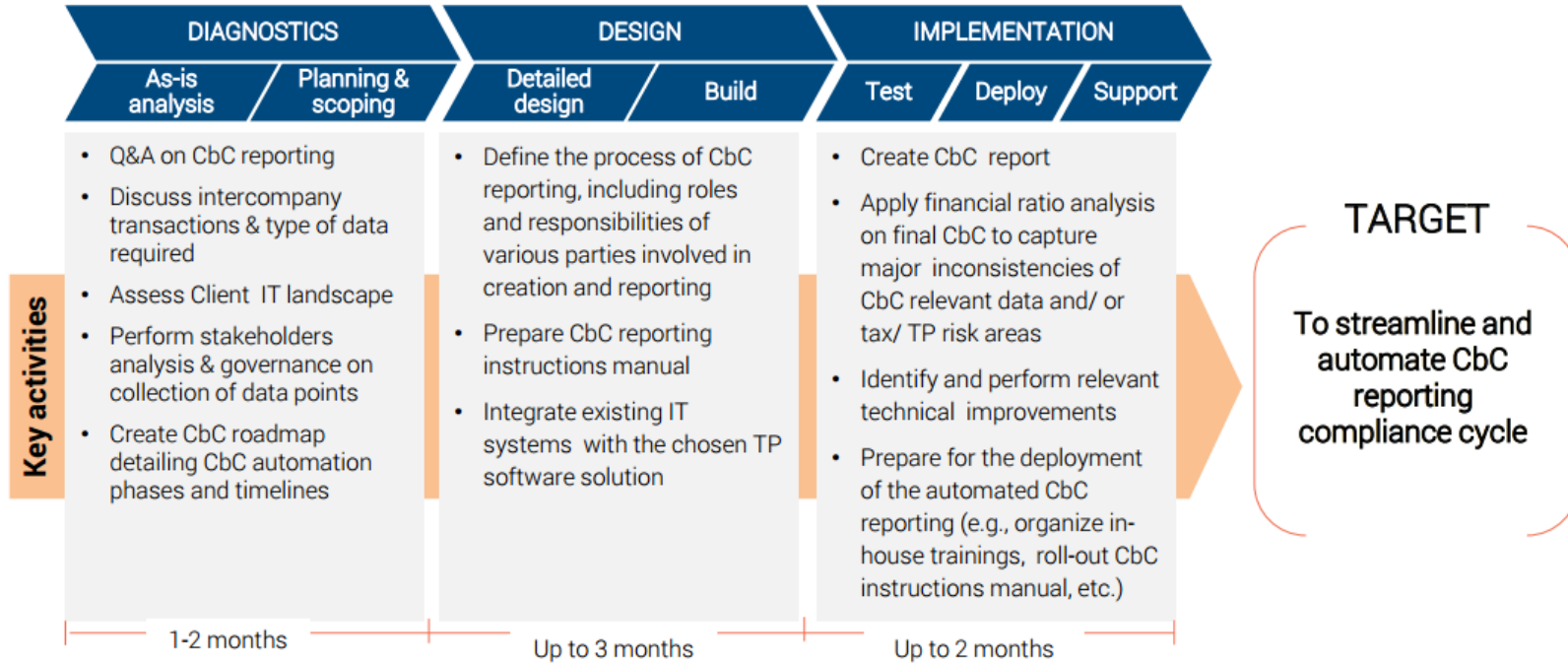
# VCA: BEPS Generation of Functional Analysis



## 4. Automated CbC Reporting

TPA offers software solutions to automate CbC reporting, including workshops and full implementation.

# Country-by-Country reporting automation: Project charter



# Country-by-Country reporting

## 1<sup>st</sup> layer analysis

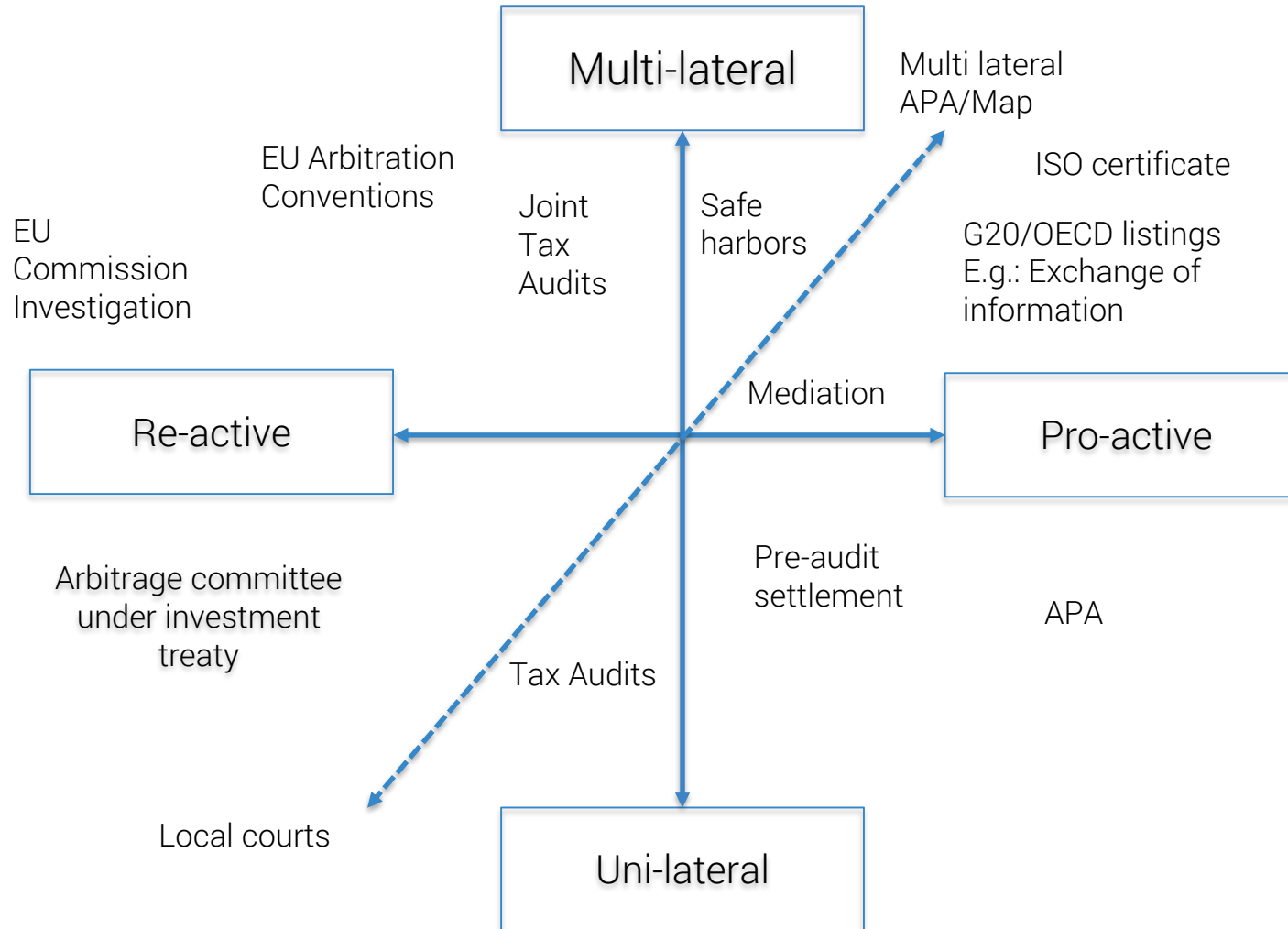
#	Financial performance	Economic indicator/result	MNE specific standard +/- deviation	Industry specific standards	Outliers	MNE specific comments on economic/legal/accounting consequences of outliers
1	Profit before tax ("PBT")/ Total revenue	Earnings before tax ("EBT")				
2	Income tax accrued current year/PBT	Effective tax rate ("ETR")				
3	PBT/Tangible assets	Return on Assets ("RoA")				
4	Tangible assets/Total revenue	Filter for "economic activity" (e.g., distributor)				
5	Total revenue per FTE	Intensity of functions				
6	Number of FTES vs. PBT	Analyze economic substance				
7	Stated capital + Accumulated earnings vs. tangible assets	Leverage intensity				
8	Income tax paid (on cash basis) vs. PBT	Potential net operating losses ("NOL"); Tax holding, preferential tax regime or 0% corporate tax jurisdiction				
9	Dual residence: location of incorporation vs. locations of tax jurisdiction	Potential BEPS indicator				
	Profit before tax per FTE > EUR1 million	Potential BEPS indicator				
	Accumulated Earnings per FTE > EUR 5 millions	Potential BEPS indicator				



## 5. Representation before tax authorities and courts

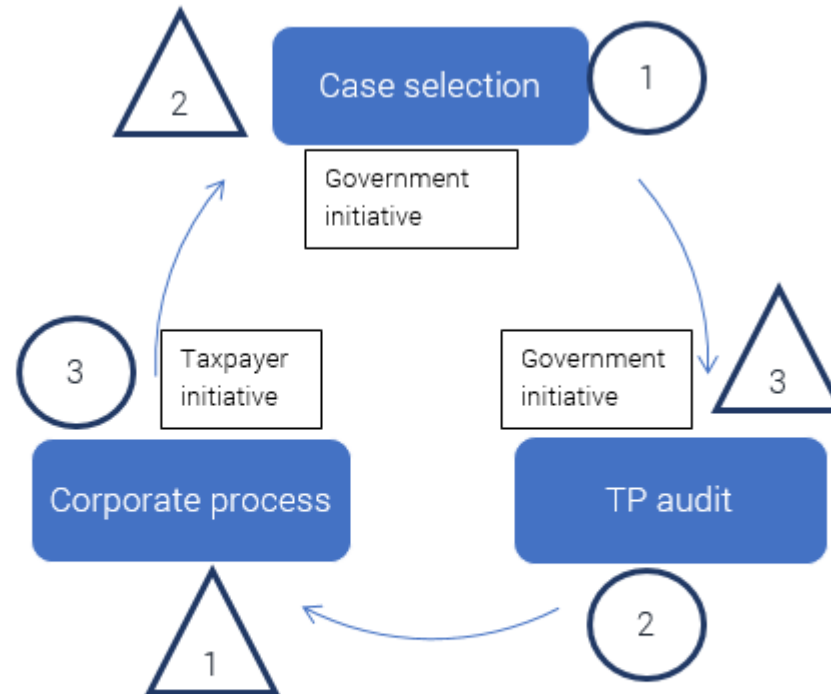
TPA offers solutions for communication with tax authorities and courts on controversy and litigation matters.

# How should business be addressing increased level of disputes?



Source: TPA Global Dispute Avoidance and Resolution Metrix

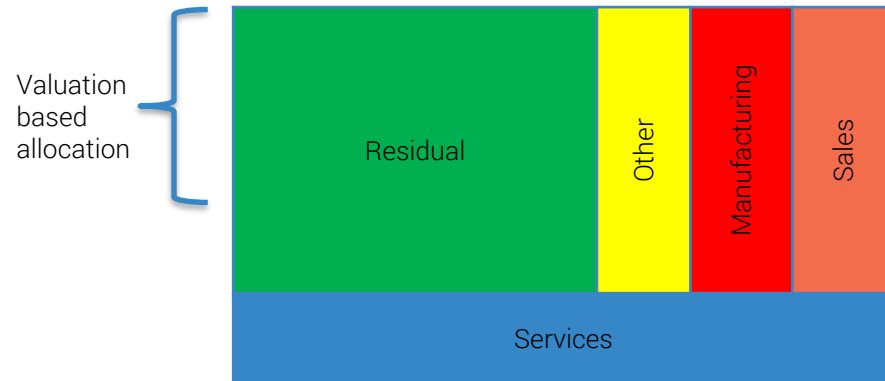
# Controversy Management



Legend: ○ Sequence of steps for company that is not in control;  
△ Sequence of steps for company that is in control

# Disputes in the Value Chain of an MNE

## A. A value chain analysis after BEPS

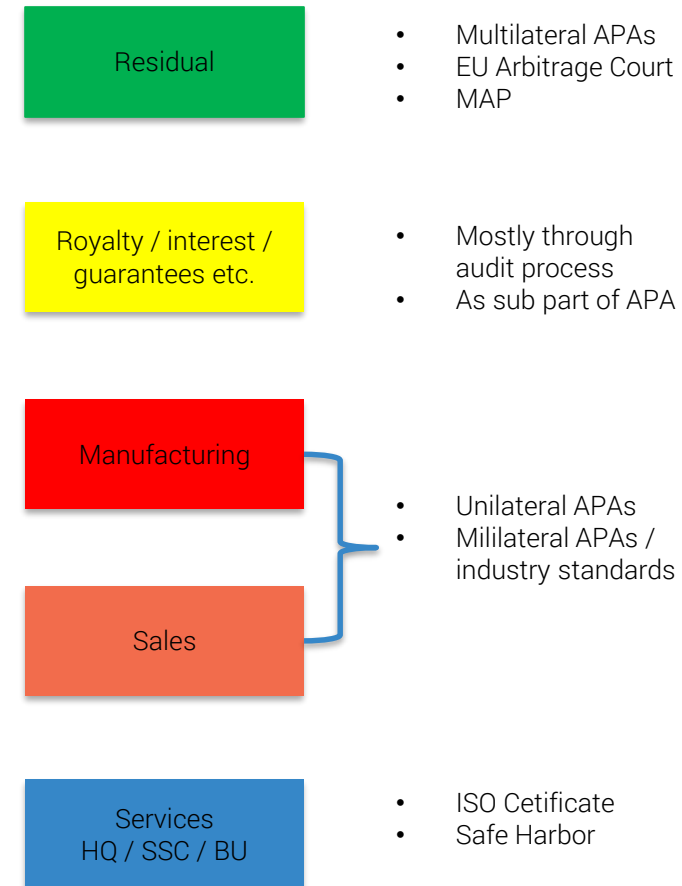


## C. Main questions:

- which disputes to handle?
- which toolbox to use?
- what timing of risk management?
- what professional process to use?

➔ What will be your Global TP risk mitigation strategy?

## B. Dispute avoidance / resolution toolbox

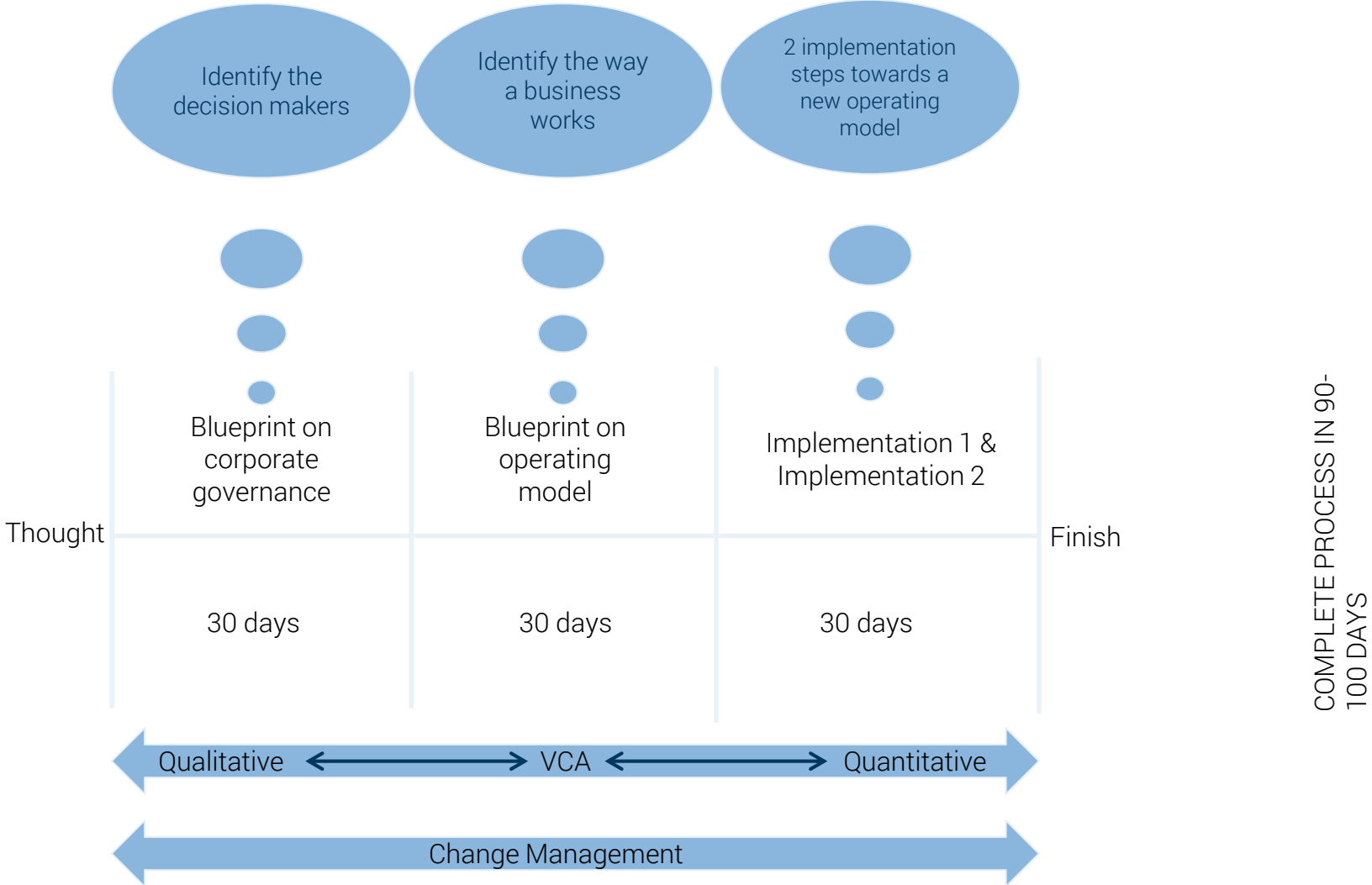


# Top Ten Non - TP Specific Solutions - Overview

## 6. Solutions for Boards









TPA offers various solutions to boards such as getting board decisions implemented within a 100 day framework by using strategy apps, change management and VCA tools.

# Application of VCA: Fast Track Implementation Of Trigger Points



# Snapchats for Boards

## Contents

-  Integrated Thinking for Boards
-  Strategy Design for Boards
-  Leadership In Control for Boards
-  Integrated Reporting for Boards
-  Strategy and Corporate Governance for Boards
-  BEPS for Boards
-  Single Business Entity for Boards
-  Global Location Strategies for Boards



## 7. Automated Global Tax Compliance

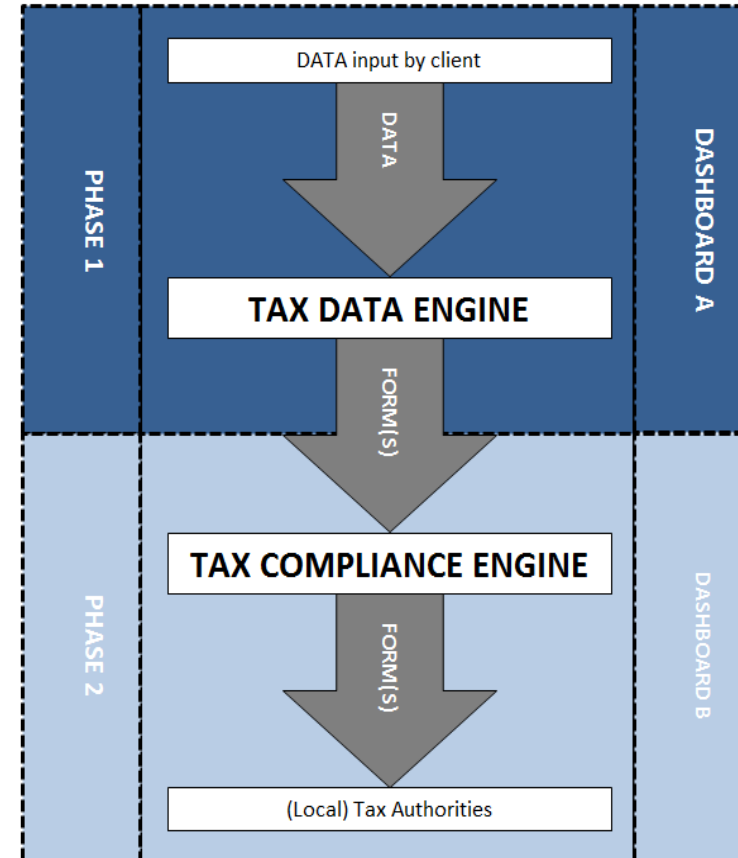
TPA Global offers end-to-end automated Global Tax Compliance solutions starting from collecting data to the formal filing of corporate tax returns, Country-by-Country (CbC) Reporting, wages tax, property tax and VAT returns.

# Automated Global Tax Compliance Solutions

- End-to-end automated GTC solutions
- Multinational enterprises with presence in 100+ countries
- Corporate Income Tax, Value-added Tax and Country-by-Country Reporting
- Global tax provisioning
- Multi-year tax planning, audit support and legal entity maintenance
- Task scheduling through tax calendar and document management in a single database

# The Tax Engine

- The complete process of the automated GTC solutions, with the “Tax Data Engine” and “Tax Compliance Engine” as a backbone
- Complemented by centralized dashboards which allow all stakeholders to access and review the output of the respective engine



## 8. In-house Coaching and E-Learning

Training/courses offered on corporate governance, strategy, leadership, and on tax and transfer pricing concepts

# Courses offered by TPA



## 9. Personalised Advisory Service

TPA offers face-to-face video based advisory services with TPA professionals for addressing client questions. Prospects can book these sessions through TPA's website (24 sessions).

# 24 Sessions <<https://24sessions.com/www/>>

Human advice. Delivered online. A booking, video-chat and review system in one.

- **Unlimited webcam sessions & screensharing**

Webcam advice with 24sessions works in any browser without software. Your clients do not need to create an account.

You and your clients can directly share screens. A popup will ask you to select your full desktop or a desired application which will be presented on the screen.

- **Personal profile page for all advisors**

All advisors have their own profile page and reviews. Here, your clients can directly book and plan a session with the preferred advisor.

The profile can be filled with information about yourself, the experience you have and subjects in which you are an expert. All to match the right customer with the right advisor.

- **Booking system for faster & better scheduling**

Your clients can directly book and plan a meeting with you. Very convenient for them and a huge conversion gain for your business.

As an advisor you get your own dashboard where you can schedule new sessions, update your availability and manage appointments.

## 10. Valuation and Financial Modelling

TPA offers a variety of valuation projects ranging from valuation of business models, customers lists and other intangibles.



# Valuation tools and techniques

As per the latest guidance issued by the OECD under its BEPS project, valuation techniques may be used as a part of one of the five OECD approved transfer pricing methods. In situations where reliable comparable uncontrolled transactions for a transfer of one or more intangibles cannot be identified, it may also be possible to use valuation techniques to estimate the arm's length price for intangibles transferred between associated enterprises.

There are many variations of valuation techniques such as:

- **Discounted cash flow method**

This analysis looks at the cash flows generated by an asset and discounts these back to a present value using an appropriate discount rate or weighted average cost of capital.

- **Relief from royalty method**

This analysis is primarily used for valuation of intangible assets by identifying a comparable royalty for the asset being valued and the future cash flows from such royalty payments are capitalised to arrive at the net present value for the asset.

- **Historic and forecast earnings ratio**

This method is primarily used to value shares. A market multiple (obtained from third party data) is applied to the earnings of the company being valued to produce a valuation.

- **Option pricing**

Option pricing derived from standard calculation techniques like the Monte Carlo or Binomial approach effectively takes a discounted cash flow analysis and applies scenarios and criteria to calculate the value of an asset.

# Valuation tools and techniques

Transfer Pricing Associates offers valuation services in the following four areas:

**i. Tax**

Valuation of Shares

Valuation of Intellectual Property

Valuation of Business Restructuring

**ii. Financial reporting**

Purchase Price Allocation and Annual Impairment Test

**iii. Transactions**

Buy and sell side assistance

Valuation support for joint ventures

**iv. Dispute resolution**

Damage quantification

Financial litigation support

Questions?



TPA Global provides international businesses with integrated and value-added solutions in improving financial performance, operational efficiency, strategic development and talent coaching through a cross-border and cross-discipline team of professionals which identifies the right solutions for customers and targets; efficient and streamlined advisory and implementation processes which cut through operational complexities across functions and borders; and superior customer service and support which proactively anticipate the evolving needs of the clients.

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