

TRANSFER PRICING

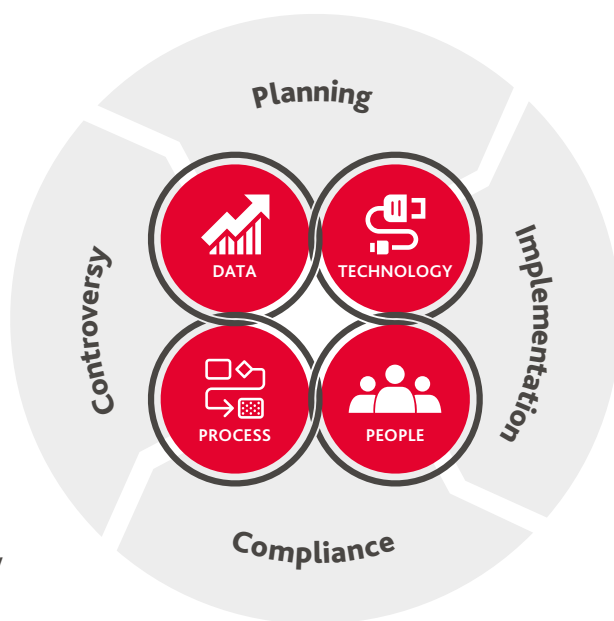
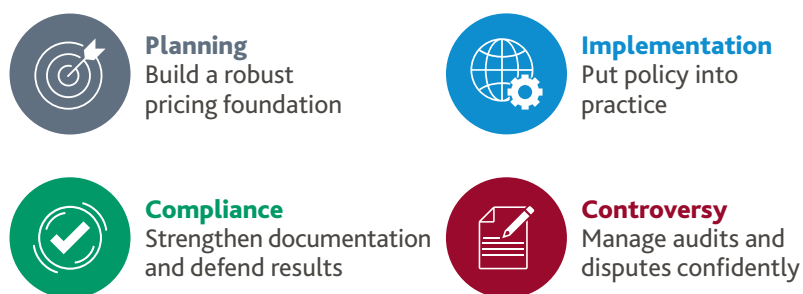


Shaping Transfer Pricing with Purpose and Precision

Effective transfer pricing management is not just about meeting documentation requirements — it's about ensuring your intercompany transactions reflect genuine commercial value and can withstand regulatory scrutiny. Our specialists provide end-to-end support, from policy design and implementation to documentation and audit defence. We help you manage transfer pricing strategically, not just compliantly.

The Transfer Pricing Lifecycle

Transfer Pricing (TP) is a continuous process that keeps your intercompany transactions aligned with business realities and global tax standards. By taking a proactive approach across every stage of the TP lifecycle, you can reduce risk, enhance operational efficiency, and strengthen global tax compliance.



Why It Matters

Align value creation, compliance and profitability.
Global tax scrutiny is rising, and authorities expect businesses to demonstrate that profits are taxed where value is created.

With proactive planning and documentation, you can:

- ▶ Minimise audit exposure and penalties
- ▶ Strengthen governance and transparency
- ▶ Gain certainty over cross-border transactions

From strategy to defence, we work alongside you to navigate every stage of the transfer pricing journey with clarity and confidence.

How BDO Can Help



Planning

- ▶ *Ex ante* analysis (price-setting approach)
- ▶ Design of transfer pricing policy
- ▶ Develop transfer pricing business model (including value chain optimisation and interaction with other taxes such as withholding and indirect taxes)
- ▶ Transfer pricing review on business restructuring and intangible transfers



Implementation

- ▶ Operational Transfer Pricing (OTP) setup
 - Develop calculation models
 - Define processes and governance framework
 - Review of invoicing and posting practices
 - Ongoing monitoring of year-to-date (YTD) results to ensure consistency
- ▶ Review of intercompany agreements from a transfer pricing perspective



Compliance

- ▶ Prepare contemporaneous transfer pricing documentation (CTPD) — minimum or full
- ▶ Comply with the three-tiered approach i.e. Master File, Local File, Country-by-Country Reporting (CbCR)
- ▶ Prepare comparability analysis
 - Price comparison method
 - Profit split method
 - Malaysia and APAC benchmarking studies
 - Royalty and service benchmarking
 - Loan interest benchmarking
- ▶ Accurate delineation analysis
- ▶ Transfer pricing due diligence and post-integration advisory
- ▶ Transfer pricing health check
- ▶ Comments on IFRIC 23 implications
- ▶ Review of Earnings Stripping Rules (ESR) impacts
- ▶ Transfer pricing workshops / training



Controversy

- ▶ Advance Pricing Agreements (APAs)
- ▶ Voluntary disclosure support
- ▶ Transfer pricing audit assistance
- ▶ Mutual Agreement Procedures (MAPs) for cross-border cases and offsetting adjustments for domestic transactions

Speak to our transfer pricing team today to learn how proactive transfer pricing management can protect your business and enhance tax certainty.



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