

Principles of Transfer Pricing Techniques

A Hands-on Guide to Maximising International Taxation

Introduction

Taxation based on transfer pricing is becoming a major worry for many businesses, domestically and internationally. The regulations aim to impose broad general principles and criteria that are applicable in the event that the taxpayer selects the transfer pricing technique. Improper selection of a transfer pricing system is punishable by these processes.

The goal of the Principles of Transfer Pricing Techniques training course is to improve the basic comprehension of the principles and ideas of transfer pricing among tax, accounting, and finance professionals. It is also meant to introduce the connection between transfer pricing and the more general technical tax, financial, and accounting sectors.

Included in this Course N Carry training programme will be:

- The way multinational corporations (MNCs) are structured
- The Profit Split Method (PSM)
- The Arm's Length Principle The Separate-Entity Approach The Cost-Plus Method
- The Method of Transactional Net Margin (TNMM)

Objectives

After completing this training session on the foundations of transfer pricing strategies, participants will be able to:

- Learn the fundamentals of transfer pricing.
- Recognise how important the arm's length principle is.
- Determine the various phases involved in a standard transfer price analysis.
- Gaining a thorough understanding of transfer pricing, including opportunities and tax areas for multinational corporations
- Examine the current legal framework pertaining to transfer pricing.
- Keep abreast on the latest advancements in transfer pricing.

Training Methodology

The trainer for the Principles of Transfer Pricing Techniques training course will use a wide variety of engaging and dynamic teaching techniques in a well-balanced curriculum of tutor presentations backed by actual cases and real-world examples of each topic. Additionally, delegates will work in groups on case studies to hone their proficiency with the primary instruments and methods related to this subject.

Organizational impacts

The firms will gain a great deal from their employees' involvement in this Course N Carry training course because it directly relates to finance and accounting. The following will benefit the organisation:

- Improved financial assistance for taxation objectives
- Increased Applicability and Dependability of Cross-Accounting Procedures
- Greater strategic thought and attention to the company's worldwide performance more efficient use of accounting and taxes techniques
- Employee training to improve decision-making and understanding of international accounting and taxes methods

Personal Impact

Delegates will personally profit from this Principles of Transfer Pricing Techniques training course by receiving the following:

- An improved comprehension of the significance and context of transfer pricing
- A better understanding of the present tax treaties
- A deeper comprehension of intergroup transactions for the purpose of tax optimisation
- Recognise the most recent advancements and patterns in the transfer pricing regulatory system.
- Improved capacity to alleviate tax-related concerns and provide superior transfer pricing strategies

Who should attend?

In addition to the Taxation team members, other professionals in adjacent industries will find this training course to be very beneficial as it will offer valuable insights and skills.

Specifically, the course will tremendously benefit:

- Members of the Financial Accounting team
- Staff Accountants for Cost and Management
- Managers of Finance
- Managers of Budgets
- Managers of Commercial Operations
- Members of the project and capital investment teams

- Members of the acquisition team and investment analysts

- Managers of Risk

Course Outline

Day 1

Overview of Transfer Pricing

- Transfer pricing's significance to the states
- Transfer pricing's significance to MNE Groups
- Distinct-entity method
- Transfer pricing: what is it?
- The importance of relationships within groups

Day 2

The Legal Framework

- Recognising the global tax landscape
- What is the principle of arm's length?
- The worldwide formulary allocation
- National transfer pricing policies
- Tax agreements: the UN and OECD Models
- The significance of the guidelines for OECD transfer pricing

Day 3

Methods of Transfer Pricing

- Comparable Uncontrolled Price (CUP) Approach
- The Resale price method (RPM)
- The method of Cost-Plus
- The mechanism known as Transactional Net Margin (TNMM)
- The Profit split method (PSM)
- The Rule of Commodities

Day 4

Adjustments for Transfer Pricing

- Making up for changes
- First modifications
- Corresponding modifications
- Secondary modifications
- Repatriation

Day 5

Documentation on Transfer Pricing

- Documentation on transfer pricing: goals and applications
- The guidelines for domestic transfer price records
- OECD Recommendations
- United Nations Directives