

# Transfer Pricing

## Overview

BPM's comprehensive full-service transfer pricing capabilities differentiate us from other regional and national firms in that our clients obtain top-tier value-added transfer pricing services, results and deliverables in the most cost-effective manner.

Transfer pricing is the art and science of determining the "arm's length" pricing for transfers of tangible goods, intangible property, services and financing between related, commonly controlled parties. Companies engaging in cross-border transactions with related parties can and often do seek to minimize their global tax burdens by taking advantage of existing differences in the tax laws and rates among relevant taxing jurisdictions. Such strategic transfer pricing approaches are legitimate and defensible when they reflect bona-fide operational and economic substance and are done in compliance with local country transfer pricing rules and other tax requirements.

Correspondingly, the U.S. and foreign governments have a keen and ever-increasing interest in protecting their respective tax bases, by seeking to ensure that the transfer pricing for such related party transactions results in an appropriate "arm's length" level of taxable income for the related parties in their respective jurisdictions. "Arm's length" transfer pricing – meaning, the transfer pricing terms that unrelated parties dealing at arm's length would use in similar uncontrolled transactions – has become the universal standard adopted by countries around the globe.

Developing and implementing tax-effective transfer pricing strategies or fulfilling complex transfer pricing documentation and reporting requirements can be a challenging task for any multinational organization, especially in light of the ever-changing compliance landscape and the OECD's recent initiatives targeting base erosion and profit shifting ("BEPS").

BPM's Transfer Pricing Practice is led by former Big-4 professionals with unsurpassed transfer pricing expertise and decades of global transfer pricing experience. Our team of transfer pricing specialists have the technical knowledge and industry experience to provide transfer pricing assistance to companies of all sizes and stages of growth, from pre-formation and start-ups, through early stage and middle market, to Fortune 50 multinationals. Our transfer pricing professionals can help you build, implement, manage, document, review and defend your transfer pricing policies and processes – aligning them with your business strategy to stay ahead of the game.

Our people can help you develop the proactive, pragmatic and integrated strategies that not only address the tax risks of today's ever-changing compliance landscape, but also help your business achieve its potential. Our solutions and service offerings are built around the three pillars of planning, documentation and defense of your transfer pricing policies and processes:

**Transfer pricing planning:** We can help you **build, implement and manage** your transfer pricing policies and processes, including

- Development and implementation of global and domestic (state and local) transfer pricing strategies
- Preparation for BEPS compliance and value chain / relative contribution analysis
- Intangible property migration and cost sharing arrangements
- Transfer pricing planning for tax-efficient supply chain optimization
- Acquisition integration to align potentially disparate transfer pricing systems
- Transfer pricing support for local country incentives and rulings

**Transfer pricing documentation and compliance:** We can help you **document and review** your transfer pricing policies and processes, including

- U.S., global and country-specific transfer pricing documentation
- Global coordinated documentation and country-by-country reporting ("CbCR")
- Transfer pricing due diligence analysis and IPO preparation
- Transfer pricing risk assessment and review
- Income tax provision and other financial reporting support



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**Transfer pricing controversy and defense:** We can help you **defend** your transfer pricing policies and processes, including

- Transfer pricing controversy and tax examination / audit support
- Dispute risk mitigation and resolution through Advance Pricing Agreements (“APAs”)
- Dispute resolution through competent authority support

When support on foreign transfer pricing matters is needed, BPM’s LEA global firm network provides direct and immediate access to the same high level transfer pricing expertise in the more than 106 countries where our 220 LEA Global member firms operate.

We also frequently provide transfer pricing support to other CPA firms and advisors that don’t have the requisite expertise or resources, in many cases collaborating with them and interfacing directly with their clients. We welcome opportunities to support other firms that don’t have the requisite transfer pricing capabilities. In these situations, we always observe a strict “fire-wall” between the transfer pricing services we provide such clients and the core relationships they have with their existing firms. Simply stated, BPM will never compete to provide other services to clients of other firms that rely upon us to meet their transfer pricing needs.

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