



# Your specialized OTP solution

## Our approach to operational transfer pricing



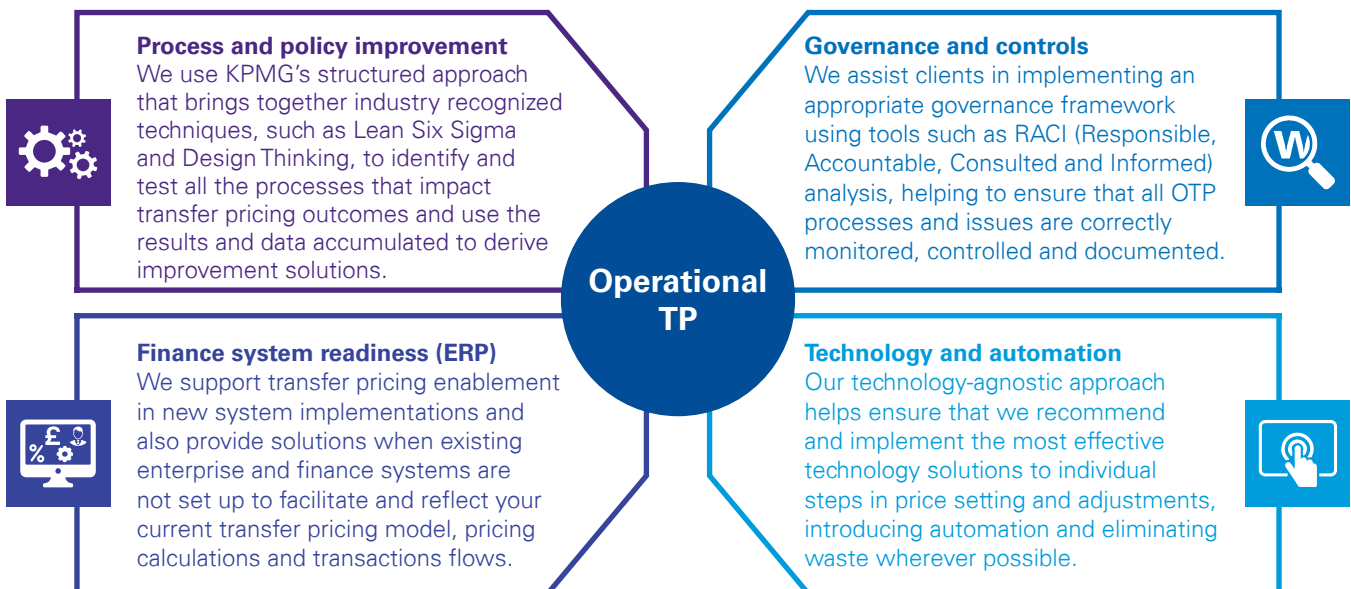
Chief Tax Officers (CTOs) say changing tax and accounting requirements have increased the need for separate legal entity reporting. The changing regulatory environment requires more dynamic scenario planning.

CTOs say they struggle to get the information and cooperation they need from finance. Their unique business structure makes OTP solutions difficult to find.

As a multinational company with a complex cross-border transaction structure, your transfer pricing policies create intercompany accounting challenges that are unique to your business. As your business changes and faces increasing demands from the global regulatory environment, you need an operational transfer pricing (OTP) strategy that helps ensure data integrity, efficient integration with other key functional areas, and provides reporting transparency into the implementation of your transfer pricing strategies.

At KPMG, our OTP approach helps to ensure that we select from the entire range of tools and technology available to design and effect a solution that directly addresses your company's unique policy implementation needs. The results include an improvement in the integrity of your intercompany accounting, increased operational efficiency, and reduced risk.

**We address all parts of the transfer pricing lifecycle—plan, implement, document and defend—and place an emphasis on implement when we design OTP solutions and leading practices in four key areas.**



## Key benefits of our approach

<b>ROI and savings</b> Rapid deployment and reduction in manual hours 	<b>Efficiency gain</b> Significantly reduce manual efforts and process turnaround and cycle time 	<b>Risk mitigation</b> Reduce risk through standardized template reduction of manual efforts 	<b>Driving insight</b> Provide a platform for impactful analytics and reporting 
<b>Process controls</b> Traceable and auditable solutions with robust process controls 	<b>Collaboration</b> Better coordination and collaboration among various stakeholders 	<b>Accuracy and reliability</b> Enhance process accuracy and reliability by augmenting review 	<b>Scalable design</b> Build scalable solution through flexible and modular designs 

## If you recognize and identify with these issues, then we can help

### Process

- Difficulties achieving intended transfer pricing results and history of year-end transfer pricing adjustments
- Delays and difficulties in the accounting close process due to transfer pricing entries and other intercompany accounting requirements
- Difficult financial statement, tax return, and regulatory audits due to transfer pricing issues
- Overly burdensome requirements placed on finance and accounting resources to gather necessary transfer pricing data
- No single point of accountability for the transfer pricing process
- Lack of formal documentation concerning transfer pricing processes, controls, and accountabilities

### Information

- Inability to efficiently and effectively monitor transfer pricing results throughout the year
- Inconsistent or unpredictable transfer pricing results from period to period
- Difficulties forecasting effective tax rates due to unpredictable transfer pricing results
- Difficulties producing reliable segmented financial information for purposes of year-end transfer pricing compliance reporting

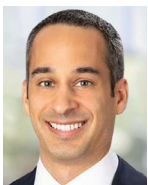
### Systems and technology

- Fragmented ERP environment and patchwork of financial systems
- Manual procedures and Excel spreadsheets for calculating transfer pricing
- Implementing a new ERP system

## Contact us



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