

Rödl & Partner

Risk reduction

Transfer Pricing



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It is an opinion commonly held that transfer pricing policies are a matter of concern only for the largest of global corporations. It is also no longer true. The volume and the intricacy of related-party transactions are on the rise even among medium sized enterprises, which increasingly allocate their business activities among different subsidiaries and affiliates. The setting of prices charged and paid between related parties and the associated processes are a matter of great complexity that frequently requires the assistance of a professional transfer-pricing advisor.

For tax authorities, transactions between related parties represent one of the key corporate tax-planning instruments, and therefore a cause for concern regarding their tax evasion potential. Consequently, the examination of transfer pricing policies has become one of the keystones of official tax inspections today. A company doing business with its affiliated enterprises that reports a loss at the end of the year or that is a recipient of investment incentives is almost guaranteed to become the object of careful scrutiny. An incorrect setting of transfer prices may then result in an assessment of an additional tax, imposition of tax fines and late payment interest, and perhaps even more importantly, may cast a negative light over the company or its entire corporate group.

The significance of transfer pricing has recently been in no small measure bolstered by the global OECD initiative against base erosion and profit shifting (BEPS), a set of tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations.

In a nutshell, the importance of transfer pricing policies should not be underestimated. Quite the opposite, it would not be too farfetched to say that transfer pricing policies have become one of the key areas of corporate group risk management.

Our team of transfer pricing experts combines the professional know-how and expertise needed to provide comprehensive advisory services for even the most demanding clients with a very flexible and customized approach to each client. Since we closely cooperate with other Rödl & Partner departments, the client also gains the added benefit of getting a solution that factors in all aspects of

their business. In addition, thanks to the extensive network of Rödl & Partner offices all around the world, we are capable of coordinating the implementation of our tailor-made solutions across multiple jurisdictions.

As for our typical transfer-pricing services, we offer:

- Drafting and updating of the transfer pricing documentation, also in the format of a certified expert report
- Revising existing TP documentation (master file and local file)
- Preparing comparative analyses based on independent third-party data (such as the Amadeus database)
- Setting methods for transfer pricing
- Review of existing transfer pricing system, including identification of risks and recommendations for eliminating such risks
- Optimizing supply chain management from the perspective of the group's tax burden
- Preparation of a defense file in order to be able to justify the costs of intra-group services (managerial, advisory etc..)
- Drafting / revising contract documents for intra-group transactions
- Representing your company before tax authorities in the event of a tax inspection
- Representing your company in administrative appeal proceedings and in court
- Arranging a simulated tax inspection with a focus on transfer pricing compliance
- Drafting schedules to a tax return (report on related-party transactions)
- Drafting applications for advance pricing agreements
- Assistance during subsequent (mirror) modifications of the tax base on the other side of the relevant transaction (a so-called secondary adjustment)
- Advising in the area of intangible assets and financing
- Advising on the allocation of profit generated by permanent establishments

- Advising on structural corporate transformations (exit charges)
- Drafting documentation for country-by-country reporting
- Revising risks from the perspective of BEPS initiative compliance
- Training the staff from your finance or controlling departments on transfer pricing risks
- Our team of Rödl & Partner transfer pricing experts is here for you. Please contact us for more information or for our non-binding offer.

Your contact person



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Rödl & Partner

“We draw on years of experience to optimise transfer pricing in transactions between domestic and foreign related entities. We reduce your tax risks.”

Rödl & Partner

As attorneys, tax advisers, auditors, accountants and management and IT consultants, we are present with 106 own offices in 48 countries. Worldwide, our clients trust our 5,130 colleagues.

In the Czech Republic, we have been offering our services since 1991. Today, we provide our legal, tax, audit, business process outsourcing and management & business consulting services through more than 320 professionals operating in our offices in Prague and Brno.

Rödl & Partner holds the prestigious title of the Czech Law Firm of the Year in the field of tax law in years 2012 to 2020.

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