

Rödl & Partner

# Intra-Group Financing



# Intra-Group Financial Transactions

Zooming into related-party transactions, intra-group treasury operations and financing services are just the tip of the iceberg. But regrettably, recent developments in the OECD's BEPS project and the EU guidelines arising therefrom have placed intra-group financial transactions under high scrutiny of Czech tax authorities.

Incorrect interest rates and other types of remuneration that do not satisfy the arm's length principle may expose a company to additional tax assessments, fines, late-payment interest and even the risk of adverse publicity, particularly since the professional qualifications of tax officers and the quantity and quality of data available to them are on the rise. Thus, intra-group financing should not be underestimated when it comes to tax compliance.

# Financial Instruments

Intra-group financing mostly involves the following instruments:

- Credit
- Loan
- Cash-pooling
- Guarantee

We will gladly advise you on how to structure transactions associated with any of these financial instruments and how to determine their arm's length price so as to satisfy even the strictest requirements of the tax authorities. Our calculation of the arm's length remuneration combines a variety of different approaches while utilizing various valuation models and market comparison analyses.

# We can help you

Thanks to leading professionals from different fields cooperating at an interdepartmental level, Rödl & Partner can assist you not only in calculating the arm's length prices of various financial instruments, but we can also guide you in contract drafting and in dealing with the accounting or tax aspects of intra-group financing. Instead of offering mere templates, we always strive to identify the most effective tailor-made solution for each individual client.

Our Rödl & Partner team of experts is prepared to assist you with any transfer pricing problem. Please contact us if we can provide you with any additional information or if you would like to receive a non-binding quotation.

# Our team

- Transfer pricing and valuation experts

# Our contact



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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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