



The new Era of Transfer Pricing Compliance



At their meeting of 20-21 September 2014 in Cairns, Australia, the Finance Ministers of the G20 have, in the context of the base erosion and profit shifting (“BEPS”) project, approved (amongst six other guidances) the OECD’s final guidance on transfer pricing documentation and country-by-country reporting. What impact will this guidance have on the compliance burden of multinational enterprises (“MNE” or “MNE’s” as the case may be) as well as on their transfer pricing operating model?

Since the BEPS project started with the OECD’s publication of its Action Plan in July 2013, likely not many had anticipated that such a broad range of detailed proposals will be established within the incredibly tight timeframe that was set. Even less would probably have guessed that the scale and scope of the work respectively the outcome of the different work-streams would be as far-reaching. Clearly, the OECD package as a whole has a significant impact on taxpayers be it constraining effects on tax planning (i.e., the proposals with regard to hybrids and treaty abuse) or new compliance obligations (i.e., the three-tier approach to transfer pricing documentation, namely the master file, the local file and the country-by-country report). Above all, the journey has not ended yet but should rather be seen to have started as the OECD’s Action Plan involves a considerable number of further tax related areas that need addressing and which are likely proving controversial amongst MNE’s and tax authorities alike as well as will have an impact on transfer pricing documentation. However, for the time being we focus on the finalized transfer pricing documentation and country-by-country reporting guidance (“TPD and CBCR Guidance”) as recently approved by the G20 Finance Ministers, although the full impact of the additional requirements the new Chapter V imposes will not be understood until January 2015, when the OECD releases additional guidance on implementation issues, including timing.

A. Compliance under the new TPD and CBCR Guidance

The TPD and CBCR Guidance¹ has evolved to a global reality in a relatively short space of time. Until recently, the international taxpayer community was not able to appropriately plan as to what changes will need to be implemented in order to achieve compliance with regard to transfer pricing documentation under the TPD and CBCR Guidance. However, although only little has changed in principle compared to when the OECD published the White Paper on Transfer Pricing Documentation for the first time for commenting by interested parties on 30 July 2013, it is now clear that the requirements for transfer pricing compliance have changed respectively gotten more burdensome. More specifically, the TPD and CBCR Guidance will change the documentation process fundamentally and require most companies to gather and provide to the tax authorities substantially more information on their global operations than they have previously provided, especially with regard to the introduction of the master file and more so with regard to the country-by-country report (“CBCR”). Given the

¹ Which will replace the current chapter V of the OECD’s transfer pricing guidelines in its entirety.

unprecedented transparency that will be provided to tax authorities under the TPD and CBCR Guidance with regard to financial results of a company's global transfer pricing policies, companies may want to consider how this will impact their current transfer pricing policies and their process for implementing, monitoring and defending these.

B. Objectives of the TPD and CBCR Guidance

The overarching objectives of the OECD's TBD and CBCR Guidance are to:

- Ensure that taxpayers give appropriate consideration to transfer pricing requirements in establishing prices and in reporting the income derived from such transactions in their tax returns;
- Provide tax administrations with the information necessary to conduct an informed transfer pricing risk assessment; and
- Provide tax administrations with useful information to conduct an appropriately thorough audit of taxpayers' transfer pricing practices (with the potential provision of additional information to supplement the documentation as the audit progresses).

Comparing the above objectives to the guidance on documentation as provided in the current Chapter V of the OECD's July 2010 transfer pricing guidelines², it is evident that going forward more and more detailed information will need to be prepared and reported by the taxpayer and that it can be expected for tax administrations to likely increase their transfer pricing risk assessment and audit activities. One can presume this to be the case once the information in the form as outlined in the TPD and CBCR Guidance³ is provided to the respective tax authorities, upon which the latter will likely gain a wider view of the company's transfer pricing policies and hence may potentially claim that the company was engaged in profit shifting activities⁴ – especially because much of the information was not previously available to tax authorities. Although the aforementioned shall by no means imply malicious intent/behavior by any tax authority, it seems all the more important for taxpayers to review the transfer pricing documentation they currently have in place respectively the processes associated with the gathering of the relevant information⁵ and data to prepare such documentation in order to identify and close any existing gaps so that finally on one hand it withstands the requirements as stipulated by the TPD and CBCR Guidance (and of course the prevailing rules and regulations of the relevant jurisdictions) and on the other hand the descriptions and rationales of the company's transfer pricing policies applied together with the related party transactions make it clear that the arm's length principle has been consistently adhered to respectively that no base erosion and profit shifting has occurred.

C. What is the content of the TPD and CBCR Guidance?

In order to achieve the objectives as described further above, the TPD and CBCR Guidance suggests a standardized approach to transfer pricing documentation be adopted and as such introduces a three-tiered approach in this context, i.e.,:

- A master file (containing standardized information relevant for all members of the group);
- A local file (intended to supplement the master file with the provision of specific information and support for material inter-company transactions of each local taxpayer); and
- A country-by-country report (containing certain information on the global allocation of the MNE's income and taxes paid and other indicators for the location of economic activity within the MNE and which is supposed to be a transfer pricing risk assessment tool for the tax administrations).

² Disregarding the fact that the majority of tax administrations around the world have enacted specific documentation requirements into local law.

³ Specific reference is made to the CBCR that is required by the MNE's to be reported annually and for each tax jurisdiction in which the MNE does business as well as to the master file.

⁴ It should be noted that the TPD and CBCR Guidance explicitly states that the CBCR is intended to be a risk assessment tool for the tax authorities and should not be used as a substitute for a proper functional and risk analysis. More specifically it notes "The information in the CBCR on its own does not constitute conclusive evidence that transfer prices are or are not appropriate. It should not be used by tax administrations to propose transfer pricing adjustments based on a global formulary apportionment of income."

⁵ Especially financial information in the form needed for transfer pricing purposes, which is different to what is needed for accounting/consolidation respectively management reporting purposes.

The master file and local files are designed for companies to prove their compliance, and for tax authorities to thoroughly audit that asserted compliance, with the arm's length principle. In annexes to the TPD and CBCR Guidance, the OECD sets out in detail the requirements for the master file and the local file as well as the information required to be reported by means of the CBCR.

Master file

In the master file, there will need to be information on the MNE's with regard to its:

- I. Organizational structure;
- II. Business (i.e., important drivers of business profits, chart/diagram of the supply chain for the five largest products and/or service offerings plus other products or services amounting to more than 5 percent of group turnover, important service arrangements existing within the MNE other than research and development ("R&D") services, main geographic markets for the group's largest products and/or service offerings, principal contributions to value creation by individual entities within the group, important business restructurings during the fiscal year);
- III. Intangibles (i.e., overall strategy on creation and exploitation of intangibles, list of important intangibles and which entities own them, list of important agreements, policies related to R&D and intangibles, important transfer of interest in intangibles);
- IV. Intercompany financing (i.e., important financing arrangements, description of the group's treasury set-up, general financing policies); and finally
- V. Financial and tax positions (i.e., consolidated financial statement, list of unilateral advance pricing agreements ("APA's") and other tax rulings).

All of the above is to be prepared on a high-level basis, i.e., the information required in the master file is intended to provide a "blueprint" of the MNE to place the group's transfer pricing practices in their economic, legal, financial and tax context⁶. Bearing the above list in mind, the master file will likely be substantially different than master files that an MNE may have been used to prepare in that a considerable amount of information that has not been collected by either headquarters or local companies in the past will now be required.

Local File

In the local file, which is to be prepared for each relevant legal entity in the taxpayer's group, a detailed transfer pricing analysis (centered on a traditional functional and economic analysis) of that entity's related party cross-border transactions⁷ is required. As such, the local file will contain much of the same information traditionally included in transfer pricing documentation reports. However, the requirements for the local file are more prescriptive than the documentation rules in many countries and therefore require additional details currently not required or contained in many documentation reports.

CBCR

Until it reached the current form, the CBCR template was the subject of most debate as it is the newest addition to transfer pricing documentation requirements, is considered to increase the documentation burden on businesses and the information contained therein provides most local tax authorities an organized picture of where a company earns income and pays taxes⁸.

⁶ Although the OECD mandates that the content of the master file is not intended to be an exhaustive listing of minutiae, in the same paragraph it is mentioned that prudent business judgment shall be applied in determining the appropriate level of detail. Hence, a right balance will need to be found in that the master file only contains important respectively relevant information having regard to the MNE's transfer pricing outcomes. However, striking the balance between too little and excessive information might not be as easy as one might think when referring to the information that is required to be included in the master file.

⁷ Including the associated transactional financial information by category, a comparability analysis and the selection and application of the most appropriate transfer pricing method, copies of unilateral and bilateral/multilateral APA's and other tax rulings relevant to 'local' related party cross-border transactions, annual local entity financial accounts (audited or unaudited).

⁸ As the CBCR may highlight gaps and inconsistencies in a company's transfer pricing policies or its implementation of those policies as well as highlight potential imbalances between the place where revenue is recognized versus the place where value is created, such issues should be addressed and mitigated before the CBCR is filed for the first time.

In its final form, the number of items to be reported have been reduced from 14 to eight⁹. The information to be provided in the CBCR covers a period of 12 months and will be twofold, i.e., a) aggregate tax jurisdiction-wide high-level financial information¹⁰ and b) a listing of all the constituent entities¹¹ for which financial information is reported including the nature of their business activities¹² carried out as well as their effective place of management¹³.

In preparing the CBCR, the reporting company (i.e., the ultimate parent entity of an MNE group) should use the same sources of data from year to year (and explain the reason for a change, if there is any). The data can be sourced from either of consolidated reporting packages, separate entity statutory financial statements, regulatory financial statements or internal management accounts but a short description of the data source used in completing the CBCR is to be provided. There is neither a request to reconcile the revenue, profit and tax reporting in the CBCR to the consolidated financial statements nor a need to make adjustments for differences in accounting principles applied in different tax jurisdictions. If statutory financial statements are used as the basis for reporting, all amounts should be translated to the stated functional currency of the reporting company at the average exchange rate for the year.

For most MNE's the sourcing of the relevant financial data that is to be included in the CBCR should not be an unduly onerous task as those companies typically collect the majority, if not all, of the information anyway for their purposes in the course of their regular preparation of consolidated accounts under a common accounting standard (such as IFRS or US-GAAP)¹⁴. However, what likely will be an increased burden for the MNE is the reconciliation of this data with the financial information that is to be included in the master file respectively the local file and that the company's financial systems allow further drill-downs as and when needed.

D. What does change with the TPD and CBCR Guidance?

The majority of the transfer pricing documentation regulations around the world have been enacted in local tax law (and of course differ in format respectively content required), hence it is already nowadays quite difficult for MNE's to ensure full compliance in all the jurisdictions they operate. Tax authorities on the other hand are also challenged to obtain the relevant information for them to properly assess whether a taxpayer's transactions with related parties, and ultimately the taxable profit derived thereof on both sides, have been conducted respectively achieved by adhering to the arm's length principle. Now is the TPD and CBCR Guidance the one size fits all solution? Does it reduce the effort needed by MNE's to prepare transfer pricing documentation in order to meet the relevant requirements in the concerned jurisdictions while at the same time does provide the information that the individual tax authorities deem necessary to properly carry out risk assessments respectively conduct audit

⁹ Although consensus of the content of the CBCR has been achieved amongst countries participating in the BEPS project, primarily countries from emerging markets (Argentina, Brazil, China, Colombia, India, Mexico, South Africa and Turkey) state that they would need additional transactional data (beyond that available in the master file and local file for transactions of entities operating in their jurisdictions) regarding related party interest payments, royalty payments and especially related party service fees. Therefore, the OECD mandates that countries participating in the BEPS project to carefully review the implementation of these new standards and reassess no later than the end of 2020 whether modifications to the content of these reports should be made to require reporting of additional or different data.

¹⁰ Revenues (from unrelated and related parties and the total thereof), profit before tax, income tax paid (cash basis), income tax accrued (current year), capital, accumulated earnings, number of employees and tangible assets (other than cash and cash equivalents)

¹¹ A constituent entity is defined as an entity whose income and balance sheet are consolidated in the company's consolidated financial statements.

¹² Being one of the following thirteen options: Research and Development/Holding or managing intellectual property/Purchasing or Procurement/Manufacturing or Production/Sales, Marketing or Distribution/Administrative, Management or Support Services/Provision of services to unrelated parties/Internal group finance/Regulated Financial Services/Insurance/Holding shares or other equity instruments/Dormant/Other.

¹³ The place of effective management should be determined in accordance with the provisions of Article 4 of the OECD Model Tax Convention and its accompanying Commentary.

¹⁴ Nevertheless, it would be prudent to undertake a CBCR data blueprinting exercise to identify where the CBCR information is found in the company's systems and how this can be retrieved most efficiently.

activities? As one would already have guessed, this is most likely not the case, since experience shows that no matter how much and what type or level of information is provided, there will always be different views to a particular situation (especially when it comes to tax cost respectively revenue) that usually lead to the arguing of different positions with the subsequent result of additional further information and documentation being exchanged before both sides can ultimately agree to a final position for settlement. Therefore, the question must rather be how MNE's can best go about to prepare transfer pricing documentation (i.e., master file and local file) and gather the information needed for the CBCR with a reasonable effort so that compliance is achieved to the maximum extent possible under the TPD and CBCR Guidance respectively the relevant local transfer pricing rules and regulations. Some guidance shall be provided in the following part of this article.

E. What are the challenges for the taxpayer?

Notwithstanding the TPD and CBCR Guidance having been finalized and approved now and given the burden that it will impose on companies to obtain the relevant information, it is likely that the earliest practical effective date for the new reporting requirements would be a company's fiscal year 2016¹⁵. Therefore, time should not be wasted but used purposefully to take a fresh look at the company's transfer pricing documentation strategies. This holds especially true since countries are not applying a wait and see approach, but have already taken unilateral actions in this context (e.g., France¹⁶, Singapore¹⁷) and hence taxpayers will also need to take these developments into consideration for transfer pricing documentation purposes.

Now a company's transfer pricing documentation must not only be reviewed on the backdrop of the TPD and CBCR Guidance but will likely also need a reflection of the outcomes of the majority, if not all, of the other finalized respectively forthcoming BEPS outputs that impact the transfer pricing methodologies of a company:

- Hybrid arrangements will need to be identified and assessed as to whether or not these will, respectively can be retained going forward. In case any such arrangements are intended to be used also going forward, then the associated terms and potential financial impacts must be determined so that one can define how the use of such instruments can be reflected respectively defended in the transfer pricing documentation. While doing this exercise, one might come to the conclusion that the maintaining of existing or the introduction of new hybrid arrangements under the new rules is rather detrimental for the company and hence may decide to phase out these instruments over time respectively implement different structures.
- In line with the activities suggested for hybrid arrangements further above, related party and third party debt arrangements that produce material interest deductions or exempt/deferred income should also be reviewed so that the (commercial) reasons for any such excess respectively exemption/deferral are known and can be explained/documentated in sufficient detail. In this context and in cases where new arrangements of such nature will be implemented, a close collaboration between the tax and treasury department will be critical so to achieve the necessary transparency.
- Current transactions/arrangements respectively structures that are deemed critical with a view to the subject permanent establishment should be reviewed in order to potentially develop alternative strategies to mitigate potentially existing exposure.
- With regard to intangible properties, it is critical to document the location, substance and jurisdiction rationale for legal and economic ownership (including cost contribution arrangements, where applicable), as this documentation will be a key factor in the ultimate transfer pricing risk assessment process and basis of comprehension for tax authorities.

¹⁵ In light of the political pressure for action in this area, it seems unlikely that the effective date for providing the CBCR and the master file would be pushed beyond that date.

¹⁶ Legislation was enacted in December 2013 that adds a new transfer pricing documentation requirement.

¹⁷ On 1 September 2014, the Inland Revenue Authority of Singapore released its proposed update to Section 4 of the existing Singapore Transfer Pricing Guidelines relating to transfer pricing documentation, which was first published in 2006.

- Also inter-company transactions that would rarely occur between third parties should be identified and properly documented, i.e., rationales should be provided in case of the application of the profit split method in the global value chain contribution context respectively evidence is to be produced with regard to the allocation of management fees and head office expenses (or the like) and the benefits that are being derived thereof by the service recipients.
- If not already available, a centralized repository should be developed that contains all advance pricing agreements (“APA”) and tax rulings (i.e., unilateral, bilateral or multilateral) currently in effect together with a process that ensures the content of the database will be kept up-to-date. Co-operative compliance arrangements should also be included in the database.

When it comes to the TPD and CBCR Guidance in particular, a taxpayer should develop a comprehensive plan as to how transfer pricing documentation will need to be prepared. But before devising such a plan, first and foremost (and this for sure may not be appealing to everyone), one should familiarize in detail with the TPD and CBCR Guidance - especially annex I (master file), annex II (local file) and annex III (CBCR) respectively - so to understand what the detailed requirements are and ensure alignment. After having digested this information, it will be apparent that the following will need addressing:

- The master and local file approach should be adopted as the new default methodology to prepare transfer pricing documentation going forward, whereby for the purposes of local country documentation differences to local requirements will need to be identified and considered (e.g., format or information) and a date for the change in methodology will need to be determined.
- Getting ready to update comparable searches every three years¹⁸ and the financial data of the comparables annually. Further, determine in which countries regional/global comparables are not accepted and where local comparables¹⁹ are reasonably available whether these are to be provided as a supplement or substitute.
- Although the TPD and CBCR Guidance suggests that the best practice for having the master and the local file prepared is no later than the due date for the filing of the tax return for the fiscal year in question, having regard to APA’s and co-operative compliance programmes that may be in place respectively exist a taxpayer will need to determine whether in these contexts the relevant documentations may need to be available earlier.
- For each entity, a materiality threshold is to be determined for all intercompany transactions, thereby taking into account the relevance of the particular transactions to the local operation as well as the size and nature of the local operating entity relative to the overall size and nature of the whole group – this process as well as the concerned transactions will need to be documented in reasonably sufficient detail.²⁰
- Although the TPD and CBCR Guidance sets out that taxpayers should not be obliged to retain documents beyond a reasonable period, these will at least need to be accessible respectively made available in line with the statute of limitations of the jurisdictions where the company is having a footprint. Therefore, it is important to establish a written guidance as to the process for the retention of transfer pricing documentation (and the comparable company data/information sets) – whether in paper, electronic form or in any other system.
- It is acknowledged that the language of the documentation is one of the complicating factors with respect to transfer pricing compliance. But as the local documentation should be useful to local country tax administrations, companies should assess which jurisdictions do mandate that local documentation be filed in the relevant local language so as to have these translated accordingly. The master file should usually be accepted in English, but one should be prepared to have relevant parts thereof translated as and when deemed necessary by a tax administration.

¹⁸ Provided the functional profile of the company has not changed.

¹⁹ The TPD and CBCR Guidance supports the use of local comparables over regional/global comparables.

²⁰ One needs to bear in mind that the ‘definitions’ of what constitutes a material transaction differs by jurisdiction and that the TPD and CBCR Guidance do not come up with a standard definition of materiality.

- It is critical that the transfer pricing documentation be reviewed in the sense that when it will need to be disclosed no confidential information is contained therein as such information would be provided separately on a facts and circumstances basis.
- The items that are to be reported by means of the CBCR will need individual addressing on a separate entity basis. This means that relevant members within the organization should now be identified to assure they understand the background and the type of information needed so they are able to report such data in a timely fashion. The time and effort necessary to manually locate, collect, validate and assemble the required data is likely to be significant initially for large companies and given the process will have to be repeated at least annually this may warrant the utilization of a technology solution. However, regardless the route an MNE is taking to gather the relevant data and thinking of a tax authority inquiry for further detailed information, taxpayers will have to ensure in any case that the financial information can be drilled-down further (i.e., a segmentation of the income statement by product/value chains and transaction categories from the sales down to net profit level).

F. New governance policies and the preparation of documentation going forward

The TPD and CBCR Guidance may accelerate the trend toward centralized management and documentation of a company's transfer pricing policies and the monitoring of transfer price implementation, as taxpayers may strive for more consistency in light of the new transparency of their financial results. This increase in global transparency is likely to mean that deviations from a company's transfer pricing policy or the implementation of that policy will become more apparent to tax authorities around the world. For these reasons, companies that currently do not establish and monitor transfer pricing policies on a global basis may find a need to do so in the near future. For some companies, the TPD and CBCR Guidance could require an increase in authority and resources to establish and implement transfer pricing policies and new systems and procedures to regularly and proactively monitor transfer pricing results on a global basis.

The CBCR and the master file are likely to be prepared by the headquarter company. As a practical matter, it is likely that only the headquarter company will be able to obtain the information necessary to prepare those documents. For companies that do not prepare their transfer pricing documentation on a global basis, the new files will require a substantial change. Even if companies do prepare their documentation on a global basis, the TPD and CBCR Guidance likely requires companies to compile and explain substantially more information than was traditionally included in documentation reports. The new requirements are likely to require new processes to collect, validate, analyze and prepare transfer pricing documentation.

Companies are also likely to find that it is necessary to centrally prepare or coordinate all of their global documentation. Companies will need to ensure that the CBCR, master file and the local files provide consistent information about their global and local operations and their transfer pricing policies. For companies that took a decentralized approach to their transfer pricing documentation, the additional preparation or coordination requirements will likely necessitate the allocation of additional resources at headquarters.

G. Implementation

The OECD will provide additional guidance on the process for filing and sharing documentation and the process to encourage consistent application of the TPD and CBCR Guidance in January 2015, since the OECD has had and will continue to have extensive discussion on how to share the CBCR and the master file (i.e., whether to share under the terms of bilateral tax treaties, via tax information exchange agreements or the OECD's Convention on Mutual Administrative Assistance in Tax Matters or by the local subsidiary directly to the relevant local tax authority).

The TPD and CBCR Guidance states that local documentation-related penalties should not be levied if the information is not in the possession of the multinational company, but expressly sets out that the assertion that other group members are responsible for transfer pricing documentation is not sufficient reason to preclude the local subsidiary with being charged documentation-related penalties.

Although the TPD and CBCR Guidance does not provide any exemptions from the documentation requirements, Marlies de Ruiter, Head of the Tax Treaty, Transfer Pricing and Financial Transactions division of the OECD's Centre for Tax Policy and Administration mentioned during a September 16, 2014, webcast that the OECD is considering adopting such an exemption for small businesses.

The OECD may provide additional guidance on the process that countries can use to adopt the guidance. In any case, the OECD has stated clearly that the CBCR and the master file are intended to be implemented in their standard form by all countries without deviation, to encourage consistency and efficiency of compliance for taxpayers. It remains to be seen whether similar consistency can be achieved in the approach to local files, given the variability in current requirements. It is clear that for businesses, such an agreement among countries to standardize the information required would substantially reduce the burden to compile the new reports, a need that is recognized by the OECD.

H. Timing

The OECD has not provided any information on the expected date that individual countries should implement the new documentation requirements. As part of its work on the implementation of the TPD and CBCR Guidance, the OECD is expected to provide guidance to countries on effective dates, including the phasing in of the requirements. However, some countries may not want to wait until such guidance is forthcoming from the OECD as the TPD and CBCR Guidance has raised tax authorities' expectations in this context and who may therefore push ahead with the publication of specific regulations on implementation and associated measures with regard to the filing of the master file and the CBCR.

I. Final note

Taken together, there seems little doubt that, directly or indirectly, the BEPS project in general terms is having, and will continue to have, a material effect on the international tax environment. An early review of the comprehensive transfer pricing issues (and their impact on transfer pricing documentation) will therefore be valuable in aligning future visions, flexibility and transparency in today's volatile atmosphere of transfer pricing assumptions and perceptions. The further progress of BEPS is clearly one to be watched closely and the preparation of transfer pricing documentation in line with the TPD and CBCR Guidance should be tackled now. This especially holds true since the TPD and CBCR Guidance will require an MNE to implement new procedures to locate, collect, validate, assemble and store the information that is relevant to meet the new requirements, which may also necessitate an increase in the resources devoted to transfer pricing issues.

Author

Daniel Ledergerber

Senior Manager, Transfer Pricing
Deloitte AG

dledergerber@deloitte.ch

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/ch/about for a detailed description of the legal structure of DTTL and its member firms.

Deloitte AG is a subsidiary of Deloitte LLP, the United Kingdom member firm of DTTL.

Deloitte AG is an audit firm recognised and supervised by the Federal Audit Oversight Authority (FAOA) and the Swiss Financial Market Supervisory Authority (FINMA).

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Deloitte AG would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte AG accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.