



Value Chain Analysis

A “business lens” approach to understanding your transfer pricing operations

With BEPS Actions 8–10 aiming to tax profits where the value-generating activities occur, multinational companies must reexamine their contractual arrangements. This adjustment process is compounded by the fact that countries may adopt the new rules at different times and interpret them in different ways.

As a result, businesses need detailed transfer pricing and economic analysis to:

- Support tax positions in individual jurisdictions
- Understand interactions with various functions of their entire value chain
- Initiate two-sided reviews of transactions

Overview

Value Chain Analysis (VCA) creates context for pricing transactions between entities by assessing the relative contributions made by each entity to the overall business. Deloitte’s methodology, underpinned by proprietary analytics technology, helps companies holistically review their value chain and assess alignment with current transfer pricing arrangements.

Highlights

-  Assesses the relative contribution of each business function
-  Creates a single, global view of your value chain
-  Compares results against expected industry benchmarks
-  Calculates the relative contribution on a country-by-country basis
-  Helps align TP strategies with governance and business models
-  Provides a foundation to efficiently meet global transfer pricing requirements

Leveraging technology to assess the value chain from a “business lens” perspective



Phase 1–VCA workshop

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Phase 2–Detailed VCA review

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For more information, contact your local client service team today.



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