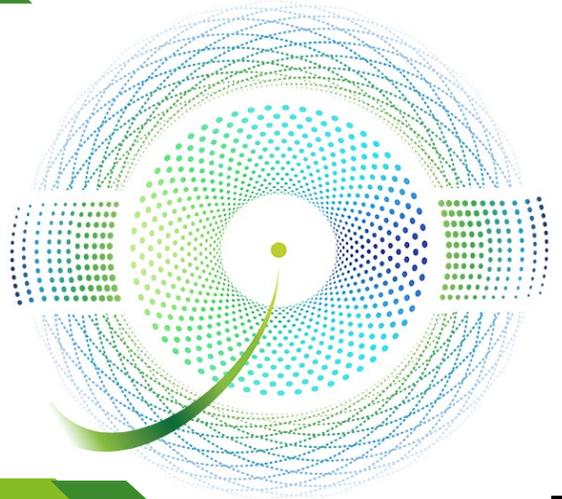


Transfer pricing controversy

Transfer pricing (TP) presents many tax, legal and operational challenges. For many taxpayers, the magnitude of uncertainty—including the potential commitment of significant management time in the event of TP inquiries or audit—presents a significant business risk.



WHY NOW?



- Audits are expected to continue increasing due to the COVID-19 crisis
- Increase of specialized TP teams within tax authorities
- Growth of in-depth audit activity, including system audits on data and staff interview processes

WHERE DOES LUXEMBOURG STAND?

- Increased audit activity that goes beyond financial transactions
- Reliance on double tax treaties and EU directives to seek counterparty financial information
- Decrease in time granted to taxpayers to answer tax inquiries
- Limited granting of payment extension requests regarding audit procedures

WHY DELOITTE?



- Global tax controversy network that spans over 150 countries with more than 3,000 TP professionals
- Completed nearly 3,000 controversy projects in 2020 alone, including more than 700 bilateral and unilateral Advanced Pricing Arrangements (APA), 300 Mutual Agreement Procedures (MAP), and nearly 2,000 TP inquiries and TP litigations

How we can help



BEFORE

- Evidence compilation and defense file preparation
- TP documentation health-check
- Information request / tax audit readiness evaluation services
- APA support
- Pre-transaction engagement with tax authorities



DURING

- Pro-active communication with tax authorities with systematic process tracing
- Active defense strategy based on interactions with tax authorities
- Tax authority meeting accompaniment



AFTER

- TP inquiry handling and closure
- Compilation of tax audit tracking file
- MAP and arbitration support
- APA alignment monitoring support
- Global inquiry process tracking



Contacts

Xavier Sotillos Jaime
Lead Transfer
Pricing Partner

 xsotillosjaime@deloitte.lu

Balazs Majoros
Transfer Pricing
Partner

 bmajoros@deloitte.lu

Enrique Marchesi-Herce
Transfer Pricing
Partner

 emarchesiherce@deloitte.lu

Dinko Dinev
Transfer Pricing
Partner

 ddinev@deloitte.lu

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

This material is prepared by Deloitte Touche Tohmatsu India LLP (DTTILLP). This material (including any information contained in it) is intended to provide general information on a particular subject(s) and is not an exhaustive treatment of such subject(s) or a substitute to obtaining professional services or advice. This material may contain information sourced from publicly available information or other third party sources. DTTILLP does not independently verify any such sources and is not responsible for any loss whatsoever caused due to reliance placed on information sourced from such sources. None of DTTILLP, Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this material, rendering any kind of investment, legal or other professional advice or services. You should seek specific advice of the relevant professional(s) for these kind of services. This material or information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action that might affect your personal finances or business, you should consult a qualified professional adviser.

No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person or entity by reason of access to, use of or reliance on, this material. By using this material or any information contained in it, the user accepts this entire notice and terms of use.

©2021 Deloitte Touche Tohmatsu India LLP. Member of Deloitte Touche Tohmatsu Limited