



Transfer Pricing Analytics

Insight into your transfer pricing implementation

Transfer Pricing Analytics allows companies to monitor transfer pricing compliance during the financial year. With a complete analysis of your TP position, you would be able to manage your transfer pricing exposure in a very efficient manner and might even generate potential cash tax savings.

What is it?

Transfer Pricing Analytics is part of the Global Tax Data Analytics tool of Deloitte which, if desired, allows companies to analyse and test their transfer pricing system based on actual financial performance across the globe. As well, tests can be run on forecasted figures. Transfer Pricing Analytics brings companies in control of their transfer pricing position in the most efficient manner from a time and resources perspective. The tool creates a framework for monitoring compliance and determining any necessary transfer price adjustment required on a going-forward basis. This in a smart manner at the companies' desired level (e.g. SKU, business line), by also taking into account other taxes (e.g. VAT and Customs) and business aspects.

The tool provides a detailed overview of the actual transfer pricing position by way of an integrated dashboard. Such an integrated analysis allows companies to optimise their cash flow position by avoiding substantial year-end adjustments with potential adverse Customs and VAT impact.

Besides monitoring compliance and determining in advance any necessary transfer price adjustment,

Transfer Pricing Analytics allows companies to monitor their effective tax rate and to facilitate easy scenario planning when restructuring transactions within the company.

Why is it unique?

Transfer Pricing Analytics is the only transaction based tool in the market which integrates analysis of various taxes. By using Transfer Pricing Analytics companies will be able to identify quick wins, anomalies, trends and risks, based on a large amount of transactions in an extremely fast and easy manner. The tool can transform business data with the aim of extracting useful information to determine existing transfer pricing and indirect tax opportunities as well as exposures, if any.

It is able to draw on multiple data sources and systems and it can be used to supplement or replace other procedures – including inspection, inquiry, observation, and re-performance – offering a better global management of the transfer pricing position on a global scale. The tool is able to drill down – on a per entity level – to the transfer pricing position per business line, product line and, if required, even to SKU-level.

Technical aspects

Deloitte Transfer Pricing Analytics makes use of SAS software. Within this software, Deloitte has created a large number of checks and tests to format the transaction based data for transfer pricing purposes. After the input of the data into this analytical engine, output is provided through a user friendly dashboard. To ensure the maximum level of flexibility, these dashboards have been built in Qlikview software.

The tool shows a simultaneous display of multiple analyses in a variety of formats (bar graph, spider chart, etc.), enables to zoom-in into individual tests, performs budget-to-actual analysis and references transaction details. All the functionality is aimed on helping companies to facilitate a more comprehensive transfer pricing monitoring and review, and an opportunity to decrease tax risk.

Whether the tool is available online or that the data are provided periodically to Deloitte to run the analysis, the tool will provide a very clear overview of the transfer pricing position of your company.

Implementation Process

A Transfer Pricing Analytics project consists of various standard steps aiming to extract the necessary data from the systems in a systematic way, map source data to the data model, run the necessary tests and finally perform the analyses. During this process, Deloitte Tax and IT consulting experts will ensure a smooth implementation without interrupting the day-to-day business processes.

Why Deloitte?

Effective analytics requires deep industry and sector knowledge, broad functional capabilities, and a high degree of technical sophistication. Deloitte combines all of these strengths in its unique and state of the art Transfer Pricing Analytics services. In addition to Transfer Pricing, the Global Tax Data Analytics tool, due to its integrated approach, is also applicable to amongst others VAT, Customs and Tax Accounting.

We'd like to hear from you

Contact us today for a free demonstration of our Transfer Pricing Analytics service:

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