



**Quantera
Global**

Transfer pricing



Financial transactions

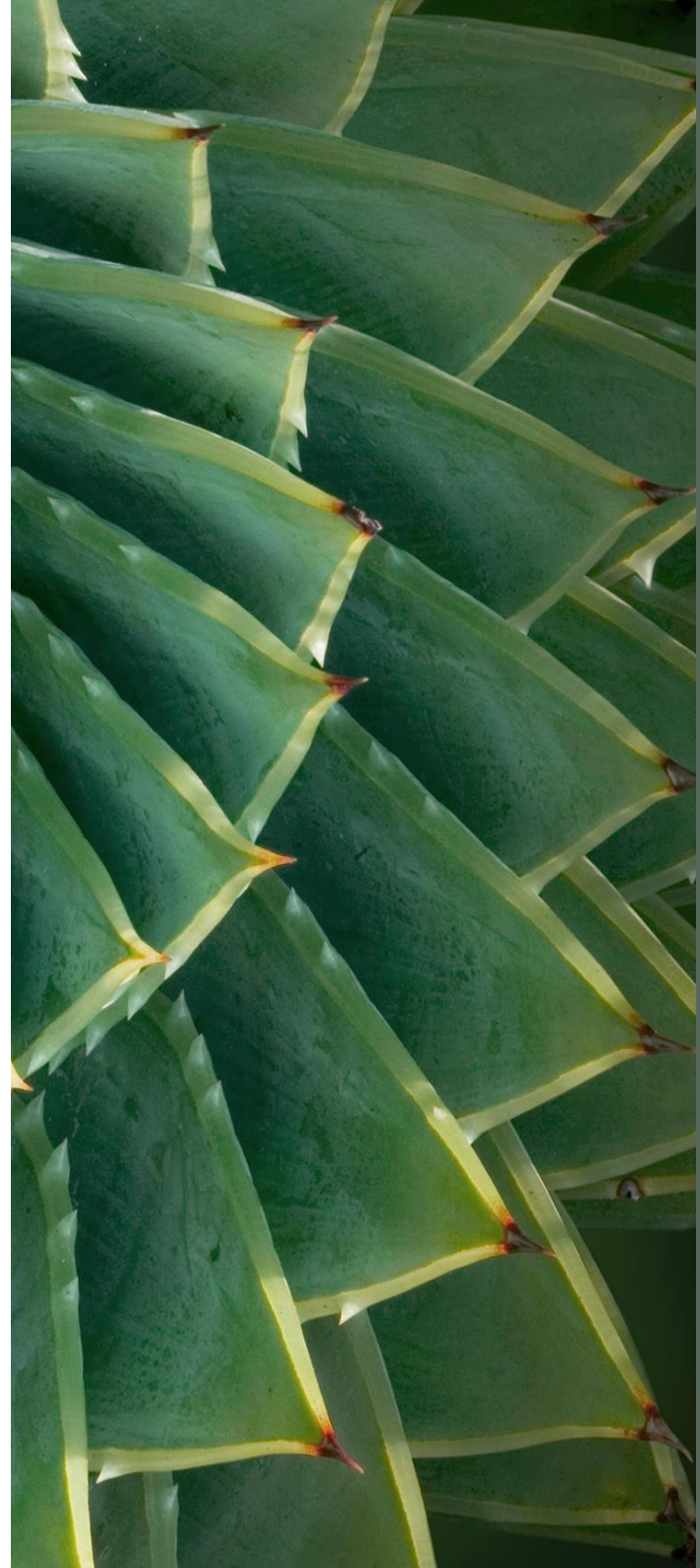
Introduction to Transfer Pricing support on
financial transactions



Introduction

Transfer Pricing attention towards financial transactions has taken a flight in recent years and has become a topic of increasing interest for tax authorities and MNEs.

Our core business is providing Transfer Pricing solutions that meet your requirements and needs. Quanteria Global has a team that is specialized in dealing with all transfer pricing aspects of financial transactions and does so daily.



priceless perfection





Developments

OECD, EU and local countries battling on intercompany financing



BEPS Action 4 – Limiting base erosion involving interest deductions and other financial payments

BEPS Action 8 -10 – Aligning Transfer Pricing outcomes with value creation

Country-by-country reporting – exchange of information between tax authorities

Final OECD guidance on financial transactions published on February 11, 2020 - provides a framework for MNEs and tax authorities to adhere to for assessing the arm's length nature of financial transactions

Increased scrutiny – due to the BEPS project and increased public interest in an MNEs tax position

State Aid - more attention by the European Union on APAs and rulings, which may actively be challenged

Anti Tax Avoidance Directive – European Union introduced ATAD 1 and ATAD 2, including limitations on interest deduction and anti-abuse measures

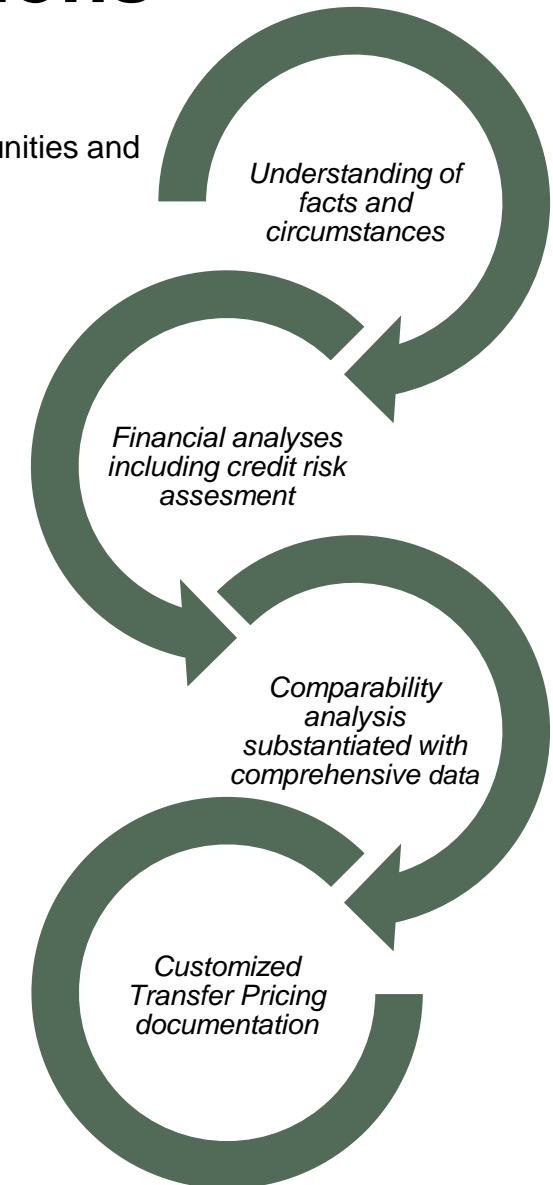
- *ATAD 1: Implemented in local legislation on 1 January 2019*
- *ATAD 2: Implemented in local legislation on 1 January 2020*

Local presence and financial capacity – substance and economic reality are becoming more important than the legal framework of a transaction



Our approach and value propositions

- Baseline measurement on the former/current design in order to assess potential opportunities and risks:
 - Aligning former finance structures (e.g. safe harbors) with the new economic reality.
- In-depth analysis
- Experienced finance experts
- Teaming up with clients and other professional services firms
- Commerciality and understanding the deal process
- Linking activities with the use of a global alliance network





Our offerings: Design, Implementation & Documentation



Design

- Analysis of intercompany financial transactions (e.g. qualification of financial instrument, debt capacity, two-sides approach, ORA).
- Transfer pricing analysis and benchmarking for intermediary financing structures
- In-house bank / treasury policies / cash pools / guarantees
- Thin Capitalisation analysis, including advice on the interest deductibility rules
- Investment management, real estate and funds transfer pricing advice
- M&A transfer pricing support: due diligence, structuring and acquisition financing
- Captive insurance policies, documentation and benchmarking



Implementation & documentation

- Determining credit ratings
- Determining equity at risk for flow-through companies
- Benchmarking and documentation
- Performing WACC analyses
- Support during exit preparations including value chain feasibility analysis and transfer pricing risk mitigation
- Holding structure substance reviews
- General negotiations with tax authorities and assistance during an audit, including APAs/MAPs
- Implementation of in-house banks





Recent projects

In recent years, Quanteria Global has been successfully involved in numerous intercompany financing projects, including the following:

- Design and implementation of financing policies for SMEs and stock quoted companies.
- Design and implementation of a full inhouse bank at a stock quoted company, including obtaining an APA at the Dutch Tax Authorities.
- Setting up pragmatic financing policies and pricing grids.
- Documentation and benchmarking of intermediary financing companies located in Luxembourg / the Netherlands.
 - Including calculation of equity at risk and equity at risk premium.
- Determining credit ratings and performing loan/bond searches and Yield Curve analyses in order to determine at arm's length interest rates.
- Performing guarantee fee analyses using different methods
- Design, document and benchmark of cash pool transactions

“Quanteria Global was able to help us last minute by suggesting a very pragmatic approach for a very complicated matter thus enabling our client to meet all their filing deadlines.”

Joost van den Berg
HVK Stevens





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Want to know more about our financial transfer pricing services?

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