WHITEPAPER

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Our guide to pricing intra-group loans

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Contents

At A Glance

- Transfer Pricing compliance helps multinational organizations to mitigate risks and achieve the best possible financial outcome.
- Today's volatile macroeconomic environment and high interest rates mean intra-group loans are attracting increasing attention from tax authorities.
- This has raised the importance of applying an arm's length interest rate when pricing intra-group transactions.
- There are four main approaches organizations can use to arrive at arm's length prices for related-party intercompany loans – Comparable Uncontrolled Price (CUP), Cost of Funds, Economic Modelling and Safe Harbors.
- CUP is widely regarded as the preferred method. This is largely because it's the approach endorsed by the OECD and tax authorities, which greatly impacts the ease of defense in the event of a tax audit.
- However, to provide a robust defense, the CUP Method needs to be applied rigorously – especially in terms of setting an appropriate search criteria for benchmarking analysis, screening comparable transactions and making precise comparability adjustments where necessary.
- Finally, there's no right or wrong pricing method. It's a case of selecting the approach best suited to your organization and the nature of the transaction.

1

Introduction : Transfer pricing in uncertain times

Intra-group loans have attracted the scrutiny of tax authorities in recent years. This makes it more critical than ever for companies to apply a consistent and effective method for pricing these transactions.

Intra-group financing

Intra-group loans are among the most common intra-group financial transactions. They're used throughout multinational enterprises and across all economic sectors to finance investments or operations within a group. Intra-group term loans are often perceived as flexible, simple, and cost-effective tools to manage liquidity needs in a group of entities. By offering intra-group lending, the need for external debt is managed solely by a central treasury team, optimizing liquidity usage by the group, reducing the cost of borrowing, and – depending on their structure – offering tax efficiencies.

A shifting landscape

Despite their straightforward structure, intra-group loans have caught the attention of tax authorities in recent years. The introduction of Chapter X of the OECD Guidelines in February 2020[1] , prompted various jurisdictions to issue additional regulations and administrative guidelines covering the determination of interest rates on intercompany financial transactions.[2] Soaring interest rates observed from 2022 onwards, further increased the scrutiny on intra-group loans.

The combined effect of these developments has raised the need for multinational entities to carefully consider and substantiate the interest rate applied to intra-group loans. Failure to comply with the arm's length principle[3] introduced by the OECD could lead to severe consequences: withholding taxes, potential double taxation, penalties from tax authorities, and the cost of dispute resolutions.

[1] Which was incorporated afterwards in the 2022 edition of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

[2] For example, the Transfer Pricing Decree published in the Netherlands in July 2022, the interpretation note covering intra-group loans issued in South Africa in January 2023, or the Administrative Principles regarding Transfer Pricing published in Germany in June 2023.

[3] The arm's length principle states that the price agreed in a transaction between two related parties must be the same as the price agreed in a comparable transaction between two unrelated parties.

It’s time to reassess your approach to Transfer Pricing

In this paper, we take you through the most important regulations and outline best practices to consider when determining an arm’s length interest rate for an intra-group loan. But before we delve into pricing methodologies, it’s important to note that when demonstrating the arm’s length principle for financial transactions, the pricing analysis is the last step that should be taken.

Before pricing a loan, a multinational entity should:

1. Analyze whether the loan’s terms and conditions are at arm’s length (market conforming).
2. Give special attention to whether the borrowing entity could have obtained equivalent debt from a third party and whether it would have entered into the transaction under those terms.
3. Perform a credit rating analysis to assess the borrower’s risk profile, as a third-party bank would. This is a key determinant of the arm’s length interest rate.

Once the above steps are sufficiently substantiated, the interest rate to be applied on the intra-group loan is determined. The pricing analysis is often considered a complex and data intensive process which is required to achieve compliance. There are multiple methodologies suggested by OECD guidelines to perform a pricing analysis, and a multitude of data sources that can be used in the analysis. In this paper, we will cover the various options and highlight the preferred option by tax authorities and tax practitioners.

2

Methodologies: 4 approaches to pricing intra-group loans

There are many technicalities to manage when it comes to Transfer Pricing – from calculation methods to international regulations. Here we outline four different methodologies you can use to arrive at an arm's length price for a related-party intercompany loan transaction.

Transfer Pricing is complex

Although there are many methods available to price financial instruments, the pricing methodology preferred by most tax jurisdictions aligns with the ones proposed in the OECD Guidelines. The OECD recommends several approaches for calculating the arm's length interest rate on intra-group loans. All these methodologies differ widely in their required data and complexity. To add to the difficulty, tax authorities tend to prefer one method over the other which greatly impacts the ease of defense during a tax audit.

Overview: 4 Transfer Pricing methodologies

In this section, we provide an overview of four methodologies proposed by the OECD and their advantages and disadvantages. A deeper dive into the most frequently used methodology is included later in Chapter 3.

1. Comparable Uncontrolled Price Method (or the CUP method)

With the CUP method, the price for an intra-group transaction is determined by observing the price applied by independent parties for comparable transactions. Due to the lack of any modelling or assumptions, the CUP method in many respects offers the easiest way to defend the price applied. That said, the accuracy of this method relies on identifying a sample of transactions that are sufficiently comparable to the transaction in question.

Fortunately, a distinct characteristic of intra-group loans compared to other types of intra-group arrangements, is the abundance of accessible market data. Bond and loan agreements of internal or external entities are, for example, often similar in their terms and conditions and have a market traded price. This serves as a potential benchmark. In addition, database providers like Bloomberg and Refinitiv offer access to comparable market data. A pricing analysis using these databases often involves an extensive search for transactions at unrelated companies that are comparable in terms of risk, maturity, and market.[4]

The CUP method can be applied in two ways:

- **The internal CUP method**
  A comparable uncontrolled transaction of an internal entity is used as a benchmark. This might be a comparable loan from a third-party bank to the borrower that is requesting new funding. In this case, the interest rate applied by that bank is referenced and potentially applied.

- **The external CUP method**
  Considers transactions between independent lenders and borrowers. For example, by searching Refinitiv or Bloomberg for the most recent prices in the bond market.

The CUP method is the most common pricing methodology and is often named as the preferred approach for benchmarking intercompany loans in local tax regulations or administrative guidelines.[5] Its main drawback, however, is the reliance on external databases and manual searches to find the right comparable transactions. As a result, the method is often applied on a case-by-case basis to provide the best defense for a potential tax audit. The laborious nature of identifying comparable transactions often leads multinational entities with large portfolios of loans to instead choose either the Cost of Funds, Economic Modelling, or Safe Harbor approaches. These pricing methods offer a relatively simpler way to estimate an arm's length price for transactions.

[4] OECD TP Guidelines, Version Jan 2022, Section C.1.2.1.

[5] See for example the Q&A guidance on applying Transfer Pricing rules issued by the Swiss Federal Tax Authorities in February 2024.

2. Cost of Funds Method

An alternative way to determine the arm's length price of a transaction uses the lender's cost of funds. The cost of funds of a lender is derived from the external debt and its estimated marginal lending rate. By combining various financing transactions, a lender determines an intricate cost of funds curve. This estimates the marginal lending rate at the maturity of the funding. New loans are priced by adding an appropriate markup or margin on top of the cost of funds curve. These markups are used to compensate for the risk taken by the lender and an appropriate profit margin.

Because it focuses entirely on the costs for the lender, cost of funds is often seen as a lender-centric approach. It can be viewed as less objective due to the implicit assumption that the lender should always have a positive profit margin and the exclusion of economically attractive alternatives for the borrower. The approach does not compare the price of a transaction with the price that a borrower could expect in a competitive and efficient market, as is done in the CUP method. Instead, the – often inefficient market – of blended group funding is used as a benchmark.

Cost of funds, however, offers a pragmatic and transparent approach to pricing large numbers of transactions without requiring an individual analysis for each. Banks also often favor this method due to their price setting power in debt markets and low cost of funds. This enables them to offer competitive rates when determining a bottom-up cost price for transactions. For multinational entities that don't have a low cost of funds or price setting role, other approaches offer more advantageous outcomes when pricing intra-group loans.[6]

[6] OECD TP Guidelines, Version Jan 2022, Chapter X, Section C.1.2.3.

3. Economic Modelling Approach

An equally pragmatic and scalable approach to determine the price of a transaction, is the economic modelling of the price. This methodology leverages the extensive financial data available to price individual risk components of a loan. Models typically start with the reference or risk-free rate,with premiums for identified risks such as credit risk, maturity, seniority, and embedded options added. The magnitude of the premium is calculated through a statistical analysis of external data. Simple examples of this model are the credit curves provided by Moody's or Bloomberg. These curves estimate a relationship between, for example, the maturity of a transaction in a certain rating class and its premium.

Unlike the CUP method, an economic model doesn't derive its result from the exact premium of a limited selection of comparable bonds. Instead, the result is derived from a statistical analysis of a broad sample of market data. This creates more freedom to use observations that are less comparable to the pricing. For this reason, economic models have the potential to be subjective in nature and open to challenges from tax authorities. The OECD also acknowledges that the accuracy of this approach depends on the considered parameters.[7]

Despite these deficiencies, an economic model is a powerful tool to determine the price impact of changes in underlying terms and conditions. If properly defined and fed with sufficient data, the model is accurate and unbiased in its estimate of pricing adjustments. In this capacity, economic models are often applied to determine appropriate adjustments to individual comparable transactions. By leveraging data from databases like Refinitiv and Bloomberg, this approach is often applied in conjunction with the CUP method. The adjustments to comparable transactions from the model ease the search of appropriate data in the CUP method, while the support of individual comparables strengthens the defense of the economic modelling approach.

4. Safe Harbors

As a final alternative, multinational entities can rely on safe harbor rates to determine intra-group prices. The United Nations Practical Manual on Transfer Pricing notes that some countries offer safe harbors, primarily concerning interest rates, to simplify compliance. These provisions typically set official interest rates for intra-group loans, relieving taxpayers from having to perform an analysis to determine the arm's length nature of the interest rate applied.

However, while applying a safe harbor interest rate might satisfy one jurisdiction, it's important to remember that often two jurisdictions are involved. Therefore, relying on a safe harbor established by local laws might not ensure full compliance. For example, when applying the US safe harbor rate for a loan between a US and German entity, the US tax authority will not challenge the interest rate but a German tax authority might. This discrepancy between countries often requires multinational entities to produce additional documentation and substantiation for international transactions.

[7] OECD TP Guidelines, Version Jan 2022, Chapter X, Section C.1.2.5.

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In depth: A deep dive into the CUP Method

Of the four Transfer Pricing approaches we've covered, the CUP Method is widely regarded as the most direct and reliable way to determine an arm's length price. In this section, we dissect this approach in more detail.

The CUP Method

Because it relies less on assumptions than the other pricing approaches, the CUP method is trusted in most cases to provide the strongest and most accurate defense when it comes to arm's length pricing of intra-group loans. For this reason, the external CUP method, where third party comparable transactions are searched to produce a benchmark, is often applied by tax departments and advisors.

In this section, we explore the following key factors that will require consideration when applying this method:

- **Setting search parameters.**
  The standard criteria used to define a search for comparable transactions.

- **Initiating the search process.**
  Applying the search criteria to generate a meaningful sample of comparables.

- **Loan data versus bond data.**
  An evaluation of the two main approaches to searching for comparable transactions.

- **Yields versus spreads.**
  An overview of the two types of data that can be used when incorporating bond data into benchmarking analysis.

- **Factoring in embedded options.**
  How embedded options can impact on the interest rate determined for the intra-group loan.

- **Right-sizing your final sample of comparables.**
  When a search generates a large sample, it can be beneficial to reduce the number of comparables using the arm's length range.

- **Making comparability adjustments.**
  Modifications are sometimes required to accurately reflect differences between the selected comparables and the pricing analysis in question.

Setting search parameters

The CUP method relies on a diligent search process to identify comparable transactions with similar terms and conditions to the transaction being priced. This search should be personalized for each specific transaction, which means it can be adapted and applied to most types of transactions. However, typically, there are certain key parameters used as standard when searching for comparable transactions. The most important ones are listed below:

- **Effective date of the price:**
  Reflecting on the market conditions at the time of the loan's inception is crucial due to constant fluctuations in market rates. Applying data close to the loan's effective date ensures accuracy.

- **Maturity:**
  There's a general positive correlation between the maturity (or tenor) of a loan and its interest rates. Longer maturities usually command higher interest rates to compensate for the extended period before repayment and associated increase in risk. As well as the higher risk, an increase in maturity also impacts the future expected risk-free interest rate. In most markets, risk-free interest rates at longer maturity are increasing, but in exceptional circumstances, a decrease in interest rate is observed. For example, in 2008 or the start of 2024, which is shown in Figure 1 below. As seen in the figure, the spread, which reflects the credit risk in the loan, increases with maturity.

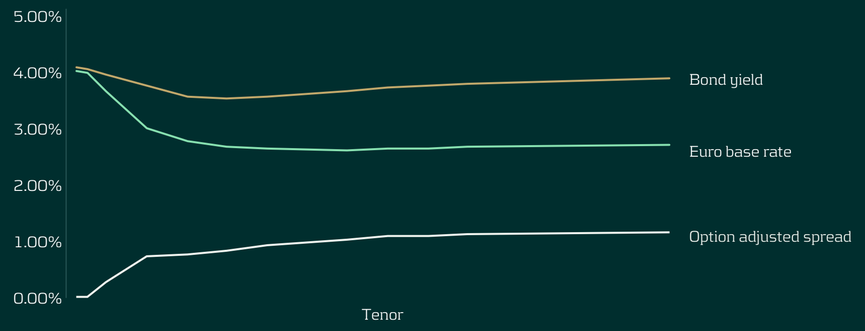


Figure 1 - Average bond yields and spreads per tenor for BBB rated bonds as of January 2024 (source: Bloomberg).

- **Currency:**
  The currency of the loan introduces risk due to anticipated depreciation or appreciation in the foreign exchange market. Expected changes in foreign exchange rates are reflected in the risk-free rates of each market – and vice-versa – due to interest rate parity. Because of the lower value of the future margin, high interest rate currencies (e.g., Turkish Lira, Russian Ruble) command a higher margin to compensate for similar risk compared to low interest rate markets (e.g., Japanese Yen, Swiss Franc).

- **Seniority:**
  The seniority of a loan or bond determines the payment priority of debt servicing. Subordinated loans, which are repaid after senior debts, pose a higher risk to lenders, thus warranting higher interest rates.

- **Security:**
  A loan or bond can be secured by specific collateral to compensate a lender in the case of a default. Depending on its value, this collateral significantly lowers the risk for lenders and leads to a decrease in the interest rate of the loan.

- **Credit rating:**
  The borrower's credit rating reflects the likelihood of defaulting on the loan and affects the interest rate, with higher ratings leading to lower rates.

- **Fixed versus floating rate:**
  The interest rate on floating rate loans, calculated using a base rate (i.e., a reference rate, such as Euribor) plus a margin, are offered with attractive terms by banks and are preferred by lenders. Floating rate loans are cheaper to manage from an interest rate risk point of view and reduce the value of embedded options. They often have lower margins than fixed rate loans.

- **Other elements:**
  There are other factors that can affect the interest rate, such as the industry of the borrower, purpose of a loan, repayment schedule, country of the borrower, collateral, any embedded options within the loan agreement, etc.

Initiating the search process

After identifying and crystallizing the relevant terms and characteristics of the loan transaction, these elements are used to search for comparable transactions and to build a benchmark analysis. Vendors such as Refinitiv or Bloomberg offer extensive databases to search for loan or bond transactions based on a wide array of characteristics.

Typically, the search process allows for filtering based on the identified terms and characteristics. However, applying overly strict screening criteria might yield a limited number of comparable transactions or, in some cases, none at all. To mitigate this downside, it's common practice to ease certain criteria to some extent. This allows the inclusion of more comparable transactions, while ensuring they remain closely aligned with the characteristics of the transaction under review.

Loan data versus bond data

In seeking external comparables, practitioners often employ two distinct approaches:

- The loan approach – focuses on observing comparable loan transactions.
- The bond approach – observes comparable bond transactions.

Although the loan approach might seem to offer closer comparability, the bond approach is more widely used for three key reasons.

1. Shortage of data on private loans. While availability of detailed data on private loans is limited, there's extensive and transparent data available on bonds. A lack of data can impact the comparability of the data used to derive the arm's length price. This has negative consequences when the data applied to calculate pricing differs substantially from the intra-group loan under analysis.

2. Scarcity of current comparable transactions. Finding comparable loan data with a similar effective date to the intra-group loan under analysis is challenging. Consequently, relying on the limited data of private loans could lead to a pricing analysis based on historical loan transactions. This may not accurately reflect current market conditions for pricing a new transaction. Interest rates and spreads are subject to fluctuations over time and old comparable data might not represent the appropriate rate at the issuance of an intercompany loan. This is particularly true in volatile markets or periods of economic downturn, where timing differences can significantly impact loan pricing.

3. Impact of additional, hidden fees. Finally, comparable loans may incorporate additional fees (e.g., upfront fees and commitment fees) and other embedded options. These can affect the spread compared to a tested transaction that does not include such fees. Moreover, these fees are not always visible in the public databases and, therefore, cannot be identified and filtered out to justify the comparability.

As a result, it's common practice among Transfer Pricing practitioners, including most tax authorities, to rely on bond data for analyzing intra-group loan transaction.

Yields versus spreads

Two types of data can be used when incorporating bond data into benchmarking analysis:

- **The yield to maturity (YTM) of comparable bonds.**
  YTM is the total expected return on a bond if held to its maturity, incorporating the bond's market price, coupon payments, face value, and the remaining time until maturity. Expressed as an annual rate, YTM combines the bond's coupon rate with its market price into an overall yield figure without breaking down the yield into a base (risk-free) rate and credit risk premium.

- **The option-adjusted spread (OAS) of the bonds.**
  The OAS calculates the yield spread of a bond over a risk-free rate. This is adjusted to allow for the value of any embedded options, such as call or put options. The OAS isolates the credit risk premium from the option risk and the base rate, highlighting the specific premium investors demand for the bond's credit and option risks over the risk-free rate.

In summary, while YTM gives an aggregate yield figure, OAS delineates the specific premium (or margin) over the risk-free rate. This provides a more transparent view of the compensation investors require for bearing the bond's credit and option risks.

Figure 2 - Bond spreads and yields over time for one-year BBB rated Euro bonds (source: Bloomberg).

Factoring in embedded options

An upside of using OAS data is that there's more freedom to include external transactions with embedded options in the benchmark analysis. However, adding the premium of an option in a pricing analysis remains challenging. As a result, options such as a prepayment or call option are frequently included in intra-group transactions but not always factored in the pricing analysis.

To determine the additional premium for embedding an option into the loan, the value of the option under a wide range of scenarios should be evaluated. There are two main approaches:

- **Use of an interest rate model.**
  Interest rate models, such as the Hull-White model, encapsulate the volatility of the underlying interest rate market and use this to determine the probability and value of the option. These models are complex to build and maintain but offer the most accurate representation of the value of a call or put option. This is the approach typically used.

- **Use of comparable yield to maturity (YTM) data.**
  An alternative approach could be to base the benchmark on the YTM of external transactions with similar embedded options. Since an option value is highly dependent on the coupon and maturity of the transaction, and the volatility in the interest rate market, this approach relies on availability of an exactly comparable transaction with an issue date that is equal to the pricing date of the intra-group loan. In practice, these transactions are rarely available and consequently, a benchmark analysis of embedded option values using YTM data might not be accurate.

It's also important to recognize that incorporating the embedded option into the pricing analysis is likely to increase the interest rate determined for the intra-group loan. This may lead to risks of challenges at source country level (jurisdiction of the borrower), especially if the interest rate model used is complex and difficult for tax authorities to comprehend, or if it has been applied using the YTM method with comparables that are not reliable. Best practice is typically to rely on floating rate intra-group loans or to only allow for prepayments after mutual agreement of the lender and borrower. Both factors reduce the option value to a negligible amount.

Best practice is typically to rely on floating rate intra-group loans or to only allow for prepayments after mutual agreement of the lender and borrower

Right-sizing your final sample of comparables

Applying the screening criteria to a search generates a broad sample of comparable observations. These transactions can then be used as the basis for your benchmark analysis and deriving your final results. When finalizing your sample, you should consider two key questions:

- Is your sample size sufficient?
- Would it be beneficial to use the arm's length range to further refine your sample? Are the comparables included in the final sample reliable?

The greater the number of comparables that comply with the search strategy, the stronger the reliability of the results obtained. Having a broader sample of comparables offers the advantage that if tax authorities challenge some of those comparables, arguing, for example, that they're not suitable observations compared to your intra-group loan, the impact of removing an observation from the analysis would be minimal. The establishment of a range of acceptable values is standard practice and typically emerges from identifying a number of comparables during a benchmarking analysis. This is commonly referred to as the arm's length range in Transfer Pricing terminology. As the OECD Guidelines state, "*in such cases, if the range includes a sizable number of observations, statistical tools that account for central tendency to narrow the range (e.g., the interquartile range or other percentiles) might help to enhance the reliability of the analysis.*"[8]

In practice, most Transfer Pricing practitioners and tax authorities are comfortable with the use of the interquartile range to derive the arm's length range of results. Any point within the interquartile range is generally accepted, but typically, the median point within the range is applied.

If the range includes a sizable number of observations, statistical tools that account for central tendency to narrow the range might help to enhance the reliability of the analysis

[8] OECD TP Guidelines, Version Jan 2022, Chapter III, paragraph 3.57.

Making comparability adjustments

Applying the CUP method in practice demands a detailed comparability analysis, as highlighted in Chapter I of the OECD Guidelines and elaborated on in the OECD Guidance on Financial Transactions. This analysis focuses on how to apply comparability factors specifically to group financing. It may be necessary to adjust for observed differences between the loan under analysis and the comparable transactions selected to enhance equivalence. These adjustments follow the procedures set out in Chapter III of the OECD Guidelines

The goal of comparability adjustments is to accurately reflect the differences between the terms and conditions of the selected comparables and the intra-group loan being examined in the pricing analysis. Although there may be instances where adjustments are not required (for example, when a set of comparables with identical terms and conditions to the intra-group loan is found), in most cases, certain adjustments are required. These most commonly include:

- **Currency adjustment:**
  To align the currencies of comparables with that of the intra-group loan, ensuring the effects of currency volatility are appropriately considered.

- **Maturity adjustment:**
  To account for differences in the loan durations, reflecting the varying risk profiles associated with different maturity periods.

- **Country adjustment:**
  To reflect differences in the economic and regulatory environments of the countries in which the comparables' bonds have been issued and where the intra-group loan will be financed, recognizing the impact of country-specific risks.

- **Credit rating adjustment:**
  To modify for the creditworthiness of the borrowers, ensuring the comparables' and the intra-group loan's risk levels are equivalent.

- **Seniority adjustment:**
  To adjust for the priority of claims in the event of a borrower's default, reflecting the varying levels of risk associated with different debt seniorities.

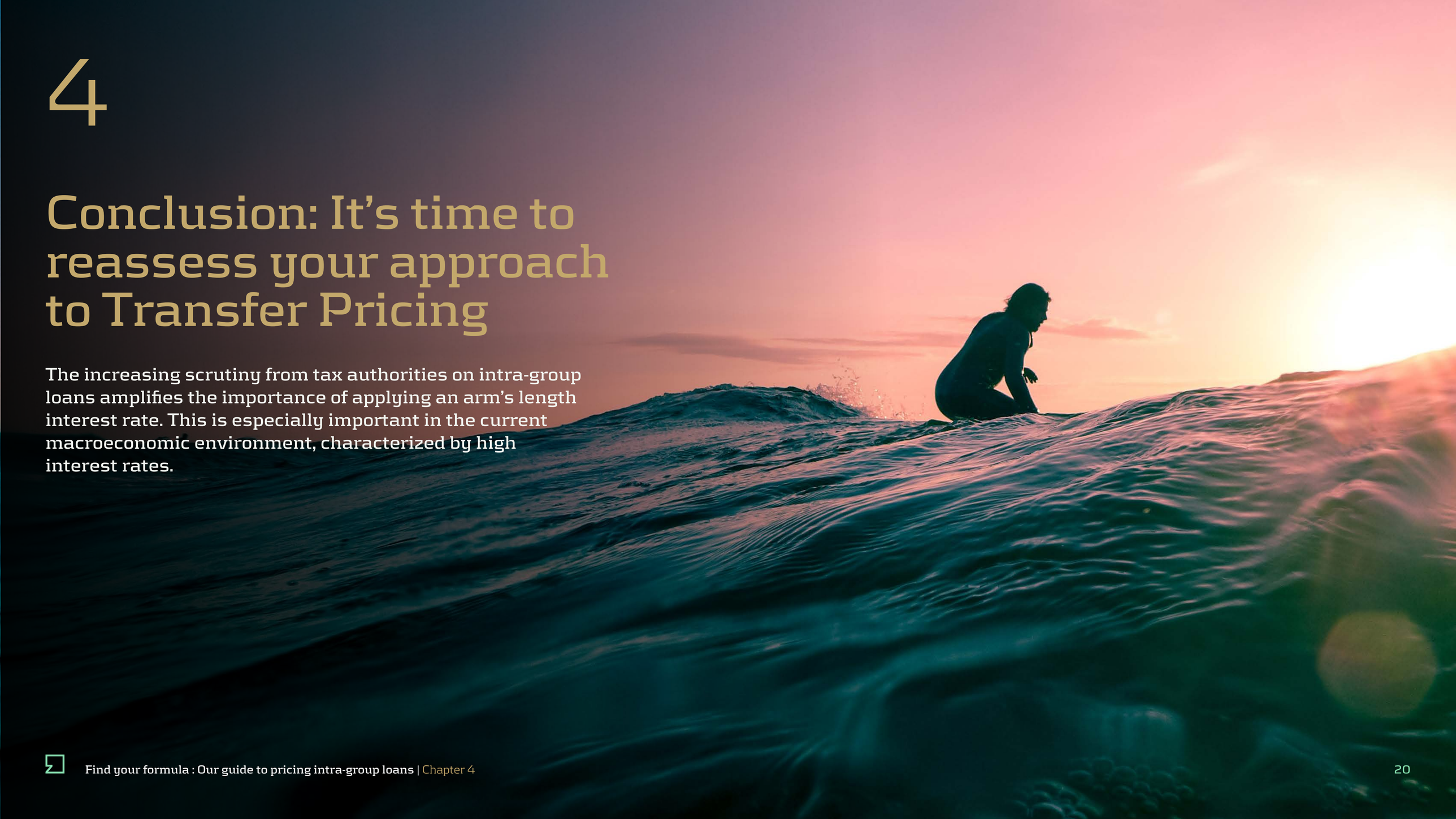
- **Repayment schedule adjustment:**
  To account for differences in the timing and structure of repayments, aligning the comparables' cash flow profiles with that of the intra-group loan.

These adjustments are typically carried out through statistical regression analyses, utilizing sector-specific yield curves and currency swap data.

4

Conclusion: It’s time to reassess your approach to Transfer Pricing

The increasing scrutiny from tax authorities on intra-group loans amplifies the importance of applying an arm’s length interest rate. This is especially important in the current macroeconomic environment, characterized by high interest rates.



Time to take action

Ensuring compliance and mitigating the risk of challenges from tax authorities is paramount for multinational enterprises. The best approach to ensure compliance is through conducting a comprehensive benchmarking analysis and documenting this process in the corresponding Transfer Pricing documentation. This economic analysis involves the detailed examination of the terms and conditions of the intra-group loan, the selection of comparable transactions and the execution of precise comparability adjustments. Every term and condition of the loan under analysis can significantly influence the outcome, making it essential to consider all these factors. Adjustments for variables such as currency, maturity, country-specific risks, credit ratings, and loan seniority are crucial to accurately reflect the conditions of the intra-group loan.

Although these analyses are complex, it's vital for treasury and tax teams to undertake them to mitigate risks. Automated solutions like the Zanders Transfer Pricing Suite offer a cost-efficient way to stay compliant while minimizing the time and financial resources required for these analyses.

As the pressure from tax authorities continues to increase, the Zanders Transfer Pricing Suite offers a cost-efficient way to stay compliant

Zanders Transfer Pricing Suite

With the growing complexity and constantly evolving practices in Financial Transaction Transfer Pricing, it is crucial for multinational entities to move ahead of the curve. Technology offers a once in a lifetime opportunity to minimize the compliance risks while freeing up time and resources.

The **Zanders Transfer Pricing Suite** is an innovative, cloud-based solution designed for companies looking to automate the Transfer Pricing compliance of financial transactions. With over five years of experience and trusted by more than 60 multinational corporations, the platform is the market-leading solution for intra-group loans, guarantees, and cash-pool transactions. Clients love us because of the:

- Transparent and high-quality embedded intercompany rating model
- Pricing model based on a search of comparable transactions
- Automatically generated 40-page OECD compliant TP report
- Benchmark rates, sovereign spreads and bond data are all included in subscription
- Hassle-free onboarding within a day!

The use of technology and automation offers several advantages:

- **Coherent methodology:**
  Automation ensures a coherent methodology across all transactions and entities, helping minimize risks and maintain consistency. This allows groups to have better control over the process and manage audits more efficiently.
- **Time savings:**
  Automating the analyses frees up resources, allowing tax and treasury professionals to focus on more strategic activities, enhancing the overall efficiency of the teams.
- **Reducing costs:**
  Automating the compliance process significantly reduces the costs associated with Transfer Pricing analyses typically charged by external advisors.

In conclusion, technology and automation, such as the Zanders Transfer Pricing Suite, play a crucial role in enabling corporates to implement a robust Transfer Pricing methodology while optimizing the use of time and resources.

More information on this solution is available on zanders.com

Are you using the best method to calculate arm's length transfer prices?

Contact us today to explore how Zanders could help your business find the best path to pricing intra-group loans.

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