

Transfer Pricing

Our integrated national and international network of transfer pricing specialists assist taxpayers meet their specific and unique transfer pricing requirements. These experts work collaboratively with international tax teams in order to optimise the commercial and fiscal structure of multi-national groups. Our expertise covers both industry specific and transaction based transfer pricing issues. Our services include:

Assistance in completing 25A's and preparation/review of supporting transfer pricing documentation

Whatever size your business, you must be able to document and justify the arm's length nature of your related party transactions. Small to medium sized businesses have less onerous documentation requirements than large businesses. The absence of any documentation, whatever size your business, provides the ATO with a strong case to adjust your transfer pricing arrangements. It should be noted that there are no time limits on proposed transfer pricing adjustments - unlike other areas of tax law.

Audit defence and dispute resolution, including negotiating unilateral or bilateral Advance Pricing Arrangements (APA's) and the relief of double taxation - Mutual Agreement Procedures (MAP's)

The APA programme has been under recent review by the ATO. The findings of this review, which aim to make the process of applying and obtaining an APA more taxpayer friendly, are due to be released in February 2011.

Support of arm's length intra-group financing arrangements - loans and guarantee fees

This is an extremely complex and controversial area of transfer pricing and should you have any inter-group financing issues we strongly recommend that you contact your local transfer pricing expert. In particular, the interaction of the transfer pricing rules and the thin capitalisation rules has been an area of intense debate. Please refer to TR 2010/7 for further guidance.

Defending the commercial and business rationale of group restructures

It is inevitable that at a given point in time a business needs to restructure its operations and its commercial and legal structure. Taxpayers need to be aware that they are required to demonstrate that any restructure was done purely for "commercial" reasons and not to gain any tax advantage. Failure to demonstrate the commerciality of any restructure may result in significant tax charges. The ATO have issued a draft ruling on the subject TR2010/D2. A final Ruling is expected in early 2011.

Transfer pricing and international tax advice relating to inbound and outbound investments

Whether your business wishes to invest overseas or in Australia it is imperative that the appropriate international tax and transfer pricing advice is taken. RSM Bird Cameron is able to utilise its global network of experienced professionals in multiple jurisdictions to assist taxpayers achieve an optimum outcome.

Supply chain restructuring to maximise the commercial benefits to a multinational group with associated tax benefits

When multinational groups restructure there is an opportunity to review the location, function and risk profile of each operational unit in the supply chain to ensure the appropriate arm's length remuneration for each individual unit. In addition, it may be possible for tax savings to be made. For example, moving a manufacturing unit to a lower taxed jurisdiction or a location where a tax holiday can be taken. Our experts would assist you in meeting your commercial objectives whilst at the same time seeking to reduce your overall effective group tax rate.

Intellectual property valuation

The identification, location and valuation of intellectual property are critical for many businesses. This is particularly true in R&D intensive industries, or where brand, trademarks and other forms of intellectual property are critical to the overall success of that business.

An optimum transfer pricing policy is far more than a mere compliance issue. Transfer pricing provides taxpayers with an opportunity to review their commercial operations, international structure, and their domestic and global direct and indirect tax issues (including management of effective tax rates). A well documented, justified, operationally and commercially robust transfer pricing policy that maximises shareholder value is an optimum transfer pricing policy.

Transfer pricing is a dynamic global discipline which is being more closely scrutinised than ever before, both domestically and in foreign jurisdictions. Transfer pricing is also becoming more and more litigious. There have been numerous domestic and international cases on transfer pricing issues, interpretation and practice in recent times. We do not envisage this trend to dissipate.

At RSM Bird Cameron our multi-disciplinary and collaborative approach to providing solutions enables us to assist taxpayers both domestically and internationally in achieving their transfer pricing objectives.

Adelaide

Terry Rodoni
Level 4, 191 Pulteney Street
Adelaide SA 5000
T (08) 8232 3000
E terry.rodoni@rsmi.com.au

Brisbane

Anthony Hayley
Level 4, 179 Grey Street
South Brisbane QLD 4101
T (03) 9286 1993
E anthony.hayley@rsmi.com.au

Canberra

Garry Lee
1st Floor, 103 - 105 Northbourne Ave
Turner ACT 2612
T (02) 6247 5988
E garry.lee@rsmi.com.au

Melbourne

Scott McKay
Level 8, Rialto South Tower
525 Collins Street
Melbourne VIC 3000
T (03) 9286 1967
E scott.mckay@rsmi.com.au

Perth

Rami Brass
8 St Georges Terrace
Perth WA 6000
T (08) 9261 9460
E rami.brass@rsmi.com.au

Sydney

Rob Mander
Level 12, 60 Castlereagh Street
Sydney NSW 2000
T (02) 8226 9529
E rob.mander@rsmi.com.au



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