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and Sharvari Kale*

Transfer Pricing

and Intra-Group Financing

*The entangled worlds
of financial markets and
transfer pricing*

Second revised edition

IBFD

Transfer Pricing and Intra-Group Financing

(Second revised edition)

Why this book?

Since the publication of the first edition of the book in 2012, numerous changes have taken place in the world of intra-group financing and transfer pricing. This topic has received considerable attention from MNEs, tax authorities and tax practitioners following the release of the OECD and UN guidance along with developments arising from the BEPS Project on this topic, and this interest is only expected to increase in the future. Intra-group financing transactions constitute a significant part of transactions occurring within MNEs. Furthermore, due to the economic crises and changing market circumstances, cash management within an MNE has become essential, leading to an increased reliance on intra-group funding.

The updated edition of the book contains country chapters that detail the transfer pricing consequences of financial instruments (e.g. loans, guarantee fees, cash pooling, factoring and leasing) and present practical ideas on how to build a transfer pricing policy for these transactions. New chapters are included on (i) treasury functions, discussing the role and importance of treasury within MNEs and possible treasury operating models; (ii) accurate delineation; (iii) the OECD guidance, the UN guidance, the interplay with other BEPS actions, and EU developments; (iv) the credit rating landscape, including a three-step approach to determine credit ratings; (v) various step approaches to determine arm's length remuneration for the most common intra-group financing transactions; and (vi) a roadmap on designing, implementing and sustaining robust intra-group financing structures and transfer pricing policies.

This book is an invaluable resource for tax practitioners, tax lawyers, tax managers, tax directors of corporations, corporate treasurers and tax authorities, in all facets of transfer pricing and intra-group financing. Practical tools, checklists, roadmaps and step approaches to address, substantiate and price intercompany financial transactions are provided in the book.

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