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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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Table of Contents

Acknowledgements		v
Chapter 1:	The Treasury Functions	1
	<i>Rezan Ökten and Mark Drenth</i>	
1.1.	Introduction	1
1.2.	Role of treasury within MNEs	2
1.2.1.	Typical organization of the corporate treasury function	2
1.2.2.	Key functions and risks	4
1.2.3.	Treasury operating model	5
1.2.4.	Centralized intra-group financing policy	7
1.3.	Relationship between tax department and other departments	9
1.4.	Relevance of tax for treasury activities	10
1.5.	Key transfer pricing considerations	11
1.6.	Typical transfer pricing models for intra-group financing companies	13
1.7.	IP considerations to group financing companies	18
1.8.	Common jurisdictions for group financing companies	19
1.9.	Staying in control of transfer pricing for the treasury operations	21
1.10.	BEPS impact on treasury activities	23
1.11.	Concluding remarks	24

Chapter 2:	Accurate Delineation of Intra-Group Financial Transactions	27
	<i>Antonio Russo and Andre Dekker</i>	
2.1.	Introduction	27
2.2.	Nature of intra-group transactions	28
2.3.	Delineation and (re)characterization	30
2.3.1.	OECD Guidelines: Chapter I	30
2.3.2.	OECD Guidance on Financial Transactions	31
2.3.3.	Case study on potential recharacterization: Cash pool deposit position	34
2.3.4.	Case study on recharacterization: Intercompany loan transaction	35
2.4.	Key aspects to be taken into account by practitioners	36
Chapter 3:	International Guidance, Case Law and Market Developments	39
	<i>Antonio Russo and Andre Dekker</i>	
3.1.	Introduction	39
3.2.	The OECD Guidance and selected international developments	40
3.2.1.	OECD guidance on transfer pricing aspects of intra-group financing	40
3.2.2.	Key takeaways for practitioners from the OECD Guidance on Financial Transactions	46
3.3.	UN Guidance	46
3.4.	Interplay with BEPS action reports	48
3.5.	EU developments	53
3.5.1.	EC’s Communication of Business Taxation in the 21st Century	53
3.5.2.	ATAD	55
3.5.3.	DAC6	56

3.6.	Case law	59
3.6.1.	Landmark cases	59
3.6.2.	Selection of cases	60
3.7.	Changing market circumstances and economic crises	63
3.7.1.	Effects of changing market circumstances and economic crises impacting intra-group financing transactions	63
3.7.2.	The impact of COVID-19	67
3.7.3.	COVID-19: Actions to be taken by MNEs	70
Chapter 4:	Credit Ratings	73
	<i>Benoît Gabelle</i>	
4.1.	Introduction	73
4.2.	Background	75
4.2.1.	Credit rating: the basics	75
4.2.2.	Official credit ratings, credit rating agencies and credit rating scales	76
4.2.3.	Types of ratings	78
4.3.	Group rating versus subsidiaries ratings	80
4.4.	Issuer vs. issue-specific rating; notching down/up principles	81
4.4.1.	Notching adjustments	83
4.5.	Determination of credit ratings	84
4.5.1.	Step 1: Determine the standalone credit rating of the affiliate	85
4.5.2.	Step 2: Determine implicit (parental) support considerations	87
4.5.3.	Step 3: Make adjustments for debt features	89
4.5.4.	Overview of methodologies / tools	90
4.6.	Impact of the COVID-19 pandemic	94
4.7.	Transfer pricing case law on credit ratings	95

Chapter 5:	Common Types of Intra-Group Financing Arrangements	101
	<i>Omar Moerer, Georgi Mavrodiev and Sharvari Kale</i>	
5.1.	Setting the scene	101
5.2.	Loans	102
5.2.1.	Introduction	102
5.2.2.	Elements of an arm’s length intra-group loan	103
5.2.3.	Building block: Volume	104
5.2.3.1.	Debt service capacity analysis	104
5.2.3.2.	Financial ratios	105
5.2.3.3.	Financial modelling and sensitivity analysis	105
5.2.3.4.	Testing the borrower’s financial ratios	106
5.2.3.5.	LTV analysis in real estate	107
5.2.4.	Building blocks: Terms and conditions, and creditworthiness	108
5.2.4.1.	Two-sided approach	109
5.2.5.	Building block: Interest rate	111
5.2.5.1.	Pricing approaches	111
5.2.5.2.	Interest rate analysis	114
5.2.5.3.	Identifying comparable transactions	116
5.2.6.	Interplay with other intra-group transactions and transfer pricing applied	118
5.2.7.	Practical examples	118
5.3.	Cash pooling, management and optimization	122
5.3.1.	Cash pool structures	122
5.3.2.	Accurate delineation	125
5.3.3.	Cash pool: Transfer pricing analysis	126
5.3.4.	Case study	132
5.4.	Financial and performance guarantees	134
5.4.1.	Setting the scene	134
5.4.2.	Types of guarantees	136
5.4.3.	Guarantees: Transfer pricing analysis	139
5.4.4.	Practical examples	146
5.5.	Fees	150
5.5.1.	Introduction	150
5.5.2.	Facility fees	150

5.5.3.	Commitment fees	152
5.5.4.	Upfront fees	152
5.6.	Captive insurance	153
5.6.1.	Introduction	153
5.6.1.1.	OECD and international developments	154
5.6.1.2.	Captive insurance and reinsurance activities	155
5.6.2.	Accurate delineation of transactions	157
5.6.3.	Step approach for determining arm's length remuneration of intra-group captive insurance transactions	158
5.6.4.	Pricing	160
5.6.4.1.	CUP method	160
5.6.4.2.	Actuarial analysis	161
5.6.4.3.	Combined ratio and return on capital	161
5.6.4.4.	Group synergies and agency sales	162
5.6.4.5.	Numerical example	163
Chapter 6:	How to Take Intra-Group Financing Forward in Your Organization	167
	<i>Urszula Chwała and Krzysztof Łukosz</i>	
6.1.	Introduction	167
6.2.	Re-thinking intra-group treasury operating model and financing set-up	167
6.3.	Relevant developments	172
6.3.1.	Tax and TP developments	172
6.3.2.	Treasury developments	175
6.3.3.	Market developments	177
6.3.4.	Outlook	182
6.4.	Developing an FTTP roadmap	184
6.4.1.	Identify phase	186
6.4.2.	Diagnose phase	189
6.4.3.	Design phase	193
6.4.4.	Implementation phase	199
6.4.5.	Document phase	202
6.4.6.	Maintain phase	206

Chapter 7:	Australia	209
	<i>Greg Weickhardt and Edwin Baghdasarayan</i>	
7.1.	Defining an intra-group financing policy	209
7.1.1.	General considerations	209
7.1.2.	Documentation requirements	211
7.1.3.	Impact of the COVID-19 pandemic	213
7.2.	Treasury function	214
7.2.1.	Intra-group loans	214
7.2.1.1.	Loan or equity	214
7.2.1.2.	Profit participating loans	219
7.2.1.3.	Interaction between thin capitalization and TP legislation	220
7.2.2.	Arm's length interest rate	224
7.2.2.1.	Interest charged	224
7.2.2.2.	TP methods	236
7.2.3.	Cash pooling	241
7.2.3.1.	Interest	241
7.2.3.2.	Remuneration CPL	243
7.2.3.3.	Allocation of cash pool benefit	244
7.2.3.4.	Documentation	244
7.2.3.5.	Advance pricing agreements (APAs)	244
7.2.4.	Hedging	245
7.3.	Financial and performance guarantees	247
7.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	248
7.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	250
7.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	251
7.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	253

7.3.5.	TP methods	254
7.3.6.	Use of range of results	255
7.3.7.	Requirement for outcomes to make commercial sense	256
7.4.	Factoring	256
7.5.	Captive insurance	256
7.6.	Leasing	258
7.7.	Other forms of financing and credit risk arrangements	258
Chapter 8:	Brazil	259
	<i>Marcelo Natale</i>	
8.1.	Defining an intra-group financing policy	259
8.1.1.	Documentation	261
8.1.2.	Impact COVID-19 pandemic	263
8.1.3.	Best practices	264
8.2.	Treasury function	265
8.2.1.	Intra-group loans	266
8.2.1.1.	Loan or equity	266
8.2.1.2.	Profit participating loans	271
8.2.1.3.	Interaction between thin capitalization and TP legislation	272
8.2.2.	Arm's length interest rate	277
8.2.2.1.	Interest charged	277
8.2.2.2.	TP methods	289
8.2.3.	Cash pooling	294
8.2.3.1.	Interest	295
8.2.3.2.	Remuneration CPL	295
8.2.3.3.	Allocation of cash pool benefit	295
8.2.3.4.	Documentation	295
8.2.3.5.	Advance pricing agreements (APAs)	295
8.2.4.	Hedging	295

8.3.	Financial and performance guarantees	296
8.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	296
8.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	297
8.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	297
8.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	297
8.3.5.	TP methods	297
8.3.6.	Use of range of results	298
8.3.7.	Requirement for outcomes to make commercial sense	298
8.4.	Factoring	298
8.5.	Captive insurance	299
8.6.	Leasing	299
8.7.	Other forms of financing and credit risk arrangements	301
Chapter 9:	Canada	303
	<i>Pooja Mihailovich</i>	
9.1.	Defining an intra-group financing policy	303
9.1.1.	General transfer pricing framework	303
9.1.2.	Specific considerations for intra-group financing transactions	312
9.2.	Treasury function	312
9.2.1.	Intra-group loans	313
9.2.1.1.	Loan or equity	313

9.2.1.2.	Profit participating loans	314
9.2.1.3.	Interaction between thin capitalization and TP legislation	314
9.2.2.	Arm’s length interest rate	318
9.2.2.1.	Interest charged	318
9.2.2.2.	TP methods	319
9.2.3.	Cash pooling	322
9.2.3.1.	Interest	322
9.2.3.2.	Remuneration CPL	323
9.2.3.3.	Allocation of cash pool benefit	323
9.2.3.4.	Documentation	323
9.2.3.5.	Advance pricing agreements (APAs)	323
9.2.4.	Hedging	324
9.3.	Financial and performance guarantees	325
9.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	325
9.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	326
9.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	326
9.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	326
9.3.5.	TP methods	329
9.3.6.	Use of range of results	330
9.3.7.	Requirement for outcomes to make commercial sense	331
9.4.	Factoring	333
9.5.	Captive insurance	334
9.6.	Leasing	335

9.7.	Other forms of financing and credit risk arrangements	336
Chapter 10:	China (People’s Republic)	339
	<i>Cheng Chi</i>	
10.1.	Defining an intra-group financing policy	339
10.1.1.	General considerations	339
10.1.2.	Sector-specific considerations	340
10.1.2.1.	Oil and gas industry	340
10.1.2.2.	Financing start-ups	341
10.1.2.3.	Automotive	342
10.1.2.4.	Financial services industry	343
10.1.3.	Documentation	352
10.2.	Treasury function	354
10.2.1.	Intra-group loans	354
10.2.1.1.	Loan or equity	354
10.2.1.2.	Profit participating loans	355
10.2.1.3.	Interaction between thin capitalization and TP legislation	356
10.2.2.	Arm’s length interest rate	361
10.2.2.1.	Interest charged	361
10.2.2.2.	TP methods	362
10.2.3.	Cash pooling	365
10.2.3.1.	Interest	365
10.2.3.2.	Remuneration CPL	366
10.2.3.3.	Allocation of cash pool benefit	367
10.2.3.4.	Documentation	368
10.2.3.5.	Advance pricing agreements (APAs)	368
10.2.4.	Hedging	368
10.3.	Financial and performance guarantees	368
10.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	369
10.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	369

10.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	369
10.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	370
10.3.5.	TP methods	370
10.3.6.	Use of range of results	372
10.3.7.	Requirement for outcomes to make commercial sense	373
10.4.	Factoring	373
10.5.	Captive insurance	376
10.6.	Leasing	377
10.7.	Other forms of financing and credit risk arrangements	378
Chapter 11:	France	383
	<i>Lionel Ochs and Charles Baudoin</i>	
11.1.	Defining an intra-group financing policy	383
11.1.1.	French TP rules and application of the OECD Guidelines	384
11.1.2.	TP documentation requirements	386
11.1.3.	Impact of the COVID-19 pandemic	386
11.2.	Treasury function	387
11.2.1.	Intra-group loans	387
11.2.1.1.	Loan or equity	387
11.2.1.2.	Profit participating loans	391
11.2.1.3.	Interaction between thin capitalization and TP legislation	391
11.2.2.	Arm's length interest rate	398
11.2.2.1.	Interest charged	399
11.2.2.2.	TP methods	403
11.2.3.	Cash pooling	408
11.2.3.1.	Interest	408

11.2.3.2.	Remuneration CPL	411
11.2.3.3.	Allocation of cash pool benefit	411
11.2.3.4.	Documentation	412
11.2.3.5.	Advance pricing agreements (APAs)	412
11.2.3.6.	Other aspects	412
11.2.4.	Hedging	414
11.3.	Financial and performance guarantees	415
11.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	415
11.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	418
11.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	418
11.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis to allow the subsidiary to access funding at the lower cost available to the parent	418
11.3.5.	TP methods	418
11.3.6.	Use of range of results	419
11.3.7.	Requirement for outcomes to make commercial sense	420
11.4.	Factoring	420
11.5.	Captive insurance	421
11.6.	Leasing	422
11.7.	Other forms of financing and credit risk arrangements	424

Chapter 12:	Germany	425
	<i>Achim Roeder and Svetlana Kuzmina</i>	
12.1.	Defining an intra-group financing policy	425
12.1.1.	Draft law for a modernization of tax relief	425
12.1.2.	Documentation	428
12.1.3.	COVID-19 implications on intercompany financing	430
12.2.	Treasury function	431
12.2.1.	Intra-group loans	432
12.2.1.1.	Loan or equity	432
12.2.1.2.	Profit participating loans	433
12.2.1.3.	Interaction between thin capitalization and TP legislation	434
12.2.2.	Arm's length interest rate	435
12.2.2.1.	Interest charged	435
12.2.2.2.	Position of German tax administration	441
12.2.2.3.	TP methods	443
12.2.3.	Cash pooling	449
12.2.3.1.	Interest	449
12.2.3.2.	Remuneration CPL	452
12.2.3.3.	Allocation of cash pool benefit	453
12.2.3.4.	Documentation	454
12.2.3.5.	Advance pricing agreements (APAs)	455
12.2.3.6.	Other aspects	456
12.2.4.	Hedging	457
12.3.	Financial and performance guarantees	457
12.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	459
12.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	460
12.3.3.	A parent funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	461

12.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	462
12.3.5.	TP methods	462
12.3.6.	Use of range of results	464
12.3.7.	Requirement for outcomes to make commercial sense	465
12.4.	Factoring	466
12.5.	Captive insurance	470
12.6.	Leasing	471
12.7.	Other forms of financing and credit risk arrangements	472
Chapter 13:	India	475
	<i>Mukesh Butani</i>	
13.1.	Defining an intra-group financing policy	475
13.2.	Treasury function	478
13.2.1.	Intra-group loans	479
13.2.1.1.	Loan or equity	479
13.2.1.2.	Profit participating loans	480
13.2.1.3.	Interaction between thin capitalization and TP legislation	480
13.2.2.	Arm's length interest rate	481
13.2.2.1.	Interest charged	481
13.2.2.2.	TP methods	484
13.2.3.	Cash pooling	495
13.2.3.1.	Interest	495
13.2.3.2.	Remuneration CPL	496
13.2.3.3.	Allocation of cash pool benefit	497
13.2.3.4.	Documentation	498
13.2.3.5.	Advance pricing agreements (APAs)	498
13.2.4.	Hedging	498

13.3.	Financial and performance guarantees	499
13.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	499
13.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	499
13.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	500
13.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	500
13.3.5.	TP methods	501
13.3.6.	Use of range of results	503
13.3.7.	Requirement for outcomes to make commercial sense	503
13.4.	Factoring	503
13.5.	Captive insurance	504
13.6.	Leasing	504
13.7.	Other forms of financing and credit risk arrangements	506
Chapter 14:	Ireland	509
	<i>Joseph Duffy</i>	
14.1.	Defining an intra-group financing policy	509
14.1.1.	Transfer pricing framework – Before 1 January 2020	509
14.1.2.	Transfer pricing framework – As of 1 January 2020	509
14.1.3.	Key changes in the transfer pricing rules after Finance Act 2019	510
14.1.4.	Old TP rules or new TP rules?	511

14.1.5.	Is it a trading transaction under Irish law?	512
14.1.6.	Is substance aligned with form?	515
14.1.7.	“Ireland to Ireland” transactions	516
14.1.8.	Impact COVID-19 pandemic	519
14.1.9.	Documentation	519
14.1.10.	Possibility to enter into an APA	520
14.1.11.	Anti-tax avoidance directives (ATAD and ATAD2)	521
14.2.	Treasury function	522
14.2.1.	Intra-group loans	527
14.2.1.1.	Old TP rules or new TP rules	527
14.2.1.2.	Loan or equity	529
14.2.1.3.	Profit participating loans	530
14.2.1.4.	Interaction between thin capitalization and TP legislation	531
14.2.2.	Arm’s length interest rate	531
14.2.2.1.	Interest charged	531
14.2.2.2.	TP methods	535
14.2.3.	Cash pooling	535
14.2.3.1.	Interest	535
14.2.3.2.	Remuneration CPL	537
14.2.3.3.	Allocation of cash pool benefit	537
14.2.3.4.	Documentation	538
14.2.3.5.	Advance pricing agreements (APAs)	538
14.2.4.	Hedging	538
14.3.	Financial and performance guarantees	539
14.3.1.	A parent guaranteeing the debt of a wholly-owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	542
14.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	543
14.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	543
14.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	543

14.3.5.	TP methods	544
14.3.6.	Use of range of results	544
14.3.7.	Requirement for outcomes to make commercial sense	545
14.4.	Factoring	545
14.5.	Captive insurance	546
14.6.	Leasing	547
14.7.	Other forms of financing and credit risk arrangements	550
Chapter 15:	Japan	551
	<i>Jun Nakagami and James N. Gualtieri II</i>	
15.1.	Defining an intra-group financing policy	551
15.1.1.	General considerations	551
15.1.2.	Impact of the COVID-19 pandemic	552
15.1.3.	Sector specific considerations	553
15.1.3.1.	Oil and gas industry	553
15.1.3.2.	Financing start-ups	553
15.1.3.3.	Automotive	555
15.2.	Treasury function	555
15.2.1.	Intra-group loans	556
15.2.1.1.	Loan or equity	556
15.2.1.2.	Profit participating loans	557
15.2.1.3.	Interaction between thin capitalization and TP legislation	558
15.2.2.	Arm's length interest rate	559
15.2.2.1.	Interest charged	559
15.2.2.2.	TP methods	561
15.2.3.	Cash pooling	563
15.2.3.1.	Interest	564
15.2.3.2.	Remuneration CPL	565
15.2.3.3.	Allocation of cash pool benefit	566
15.2.3.4.	Documentation	566
15.2.3.5.	Advance pricing agreements (APAs)	567
15.2.4.	Hedging	567

15.3.	Financial and performance guarantees	567
15.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	568
15.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	571
15.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	571
15.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	574
15.3.5.	TP methods	575
15.3.6.	Use of range of results	576
15.3.7.	Requirement for outcomes to make commercial sense	577
15.4.	Factoring	577
15.5.	Captive Insurance	578
15.6.	Leasing	579
15.7.	Other forms of financing and credit risk arrangements	579
Chapter 16:	Luxembourg	581
	<i>Christophe Clément and Antonio A. Weffer</i>	
16.1.	Defining an intra-group financing policy	581
16.1.1.	Transfer pricing documentation	582
16.1.2.	ATAD	583
16.1.3.	CFC	584
16.1.4.	State aid	585
16.1.5.	Conclusion	586

16.2.	Treasury function	587
16.2.1.	Intra-group loans	588
16.2.1.1.	Loan or equity	588
16.2.1.2.	Profit participating loans	603
16.2.1.3.	Interaction between thin capitalization and TP legislation	603
16.2.2.	Arm's length interest rate	612
16.2.2.1.	Interest charged	612
16.2.2.2.	TP methods	612
16.2.3.	Cash pooling	615
16.2.3.1.	Interest	615
16.2.3.2.	Remuneration CPL	616
16.2.3.3.	Allocation of cash pool benefit	616
16.2.3.4.	Documentation	616
16.2.3.5.	Advance pricing agreements (APAs)	616
16.2.4.	Hedging	621
16.3.	Financial and performance guarantees	621
16.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	621
16.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	622
16.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	622
16.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	622
16.3.5.	TP methods	622
16.3.6.	Use of range of results	623
16.3.7.	Requirement for outcomes to make commercial sense	624
16.4.	Factoring	624

16.5.	Captive insurance	624
16.6.	Leasing	624
16.7.	Other forms of financing and credit risk arrangements	624
Chapter 17:	Mexico	625
	<i>Edgar Ahrens</i>	
17.1.	Defining an intra-group financing policy	625
17.2.	Treasury function	627
17.2.1.	Intra-group loans	627
17.2.1.1.	Loan or equity	627
17.2.1.2.	Profit participating loans	631
17.2.1.3.	Interaction between thin capitalization and TP legislation	631
17.2.2.	Arm’s length interest rate	635
17.2.2.1.	Interest charged	635
17.2.2.2.	TP methods	639
17.2.3.	Cash pooling	641
17.2.3.1.	Interest	641
17.2.3.2.	Remuneration CPL	642
17.2.3.3.	Allocation of cash pool benefit	642
17.2.3.4.	Documentation	643
17.2.3.5.	Advance pricing agreements (APAs)	644
17.2.4.	Hedging	644
17.3.	Financial and performance guarantees	645
17.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	646
17.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	647
17.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	647

17.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	647
17.3.5.	TP methods	648
17.3.6.	Use of range of results	648
17.3.7.	Requirement for outcomes to make commercial sense	648
17.4.	Factoring	648
17.5.	Captive insurance	649
17.6.	Leasing	649
17.7.	Other forms of financing and credit risk arrangements	650
Chapter 18:	Netherlands	653
	<i>Michel van der Breggen</i>	
18.1.	Defining an intra-group financing policy	653
18.1.1.	Transfer pricing documentation and other considerations	654
18.1.2.	Advance pricing agreements	655
18.1.3.	Impact of the COVID-19 pandemic	656
18.2.	Treasury function	656
18.2.1.	Intra-group loans	659
18.2.1.1.	Loan or equity	665
18.2.1.2.	Profit participating loans	666
18.2.1.3.	Interaction between thin capitalization and TP legislation	666
18.2.2.	Arm's length interest rate	674
18.2.2.1.	Interest charged	674
18.2.2.2.	TP methods	675
18.2.3.	Cash pooling	678
18.2.3.1.	Interest	678
18.2.3.2.	Remuneration CPL	679
18.2.3.3.	Allocation of cash pool benefit	680
18.2.3.4.	Documentation	680

18.2.3.5.	Advance pricing agreements (APAs)	681
18.2.4.	Hedging	681
18.3.	Financial and performance guarantees	682
18.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	684
18.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	685
18.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	685
18.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	685
18.3.5.	TP methods	686
18.3.6.	Use of range of results	686
18.3.7.	Requirement for outcomes to make commercial sense	687
18.4.	Factoring	687
18.5.	Captive insurance	687
18.6.	Leasing	689
18.7.	Other forms of financing and credit risk arrangements	689
Chapter 19:	Singapore	693
	<i>Sam Sim Tzi Yong, Faraz Akhtar and Avier Teo Thye Xiong</i>	
19.1.	Defining an intra-group financing policy	693
19.1.1.	General considerations	693
19.1.2.	Guidance centralized activities	697
19.1.3.	Anti-abuse and other provisions	697

19.1.4.	Documentation	702
19.1.5.	COVID-19 support measures and tax guidance	703
19.1.5.1.	Job Support Scheme	704
19.1.5.2.	Comparable interest rates in pandemic years	704
19.1.5.3.	Credit ratings	705
19.1.5.4.	Benchmarking approach for financing transactions	705
19.1.5.5.	TP policy on intra-group financing	706
19.2.	Treasury function	708
19.2.1.	Intra-group loans	708
19.2.1.1.	Loan or equity	708
19.2.1.2.	Profit participating loans	716
19.2.1.3.	Interaction between thin capitalization and TP legislation	720
19.2.2.	Arm's length interest rate	720
19.2.2.1.	Interest charged	720
19.2.2.2.	TP methods	732
19.2.3.	Cash pooling	734
19.2.3.1.	Interest	734
19.2.3.2.	Remuneration CPL	736
19.2.3.3.	Allocation of cash pool benefit	744
19.2.3.4.	Documentation	745
19.2.3.5.	Advance pricing agreements (APAs)	745
19.2.4.	Hedging	746
19.3.	Financial and performance guarantees	747
19.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	747
19.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	749
19.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	750
19.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	750

19.3.5.	TP methods	751
19.3.6.	Use of range of results	751
19.3.7.	Requirement for outcomes to make commercial sense	752
19.4.	Factoring	752
19.5.	Captive insurance	752
19.6.	Leasing	753
19.7.	Other forms of financing and credit risk arrangements	753
Chapter 20:	South Africa	755
	<i>Thabiso Mohokare</i>	
20.1.	Defining an intra-group financing policy	755
20.1.1.	Documentation	755
20.1.2.	Case law	756
20.1.3.	Impact COVID-19 pandemic	756
20.1.4.	Best practices	757
20.2.	Treasury function	757
20.2.1.	Intra-group loans	761
20.2.1.1.	General	761
20.2.1.2.	Affected transactions	761
20.2.1.3.	Exemptions	764
20.2.2.	Arm's length interest rate	766
20.2.3.	Cash pooling	772
20.2.3.1.	Interest	772
20.2.3.2.	Remuneration CPL	773
20.2.3.3.	Allocation of cash pool benefit	773
20.2.3.4.	Documentation	773
20.2.3.5.	Advance pricing agreements (APAs)	773
20.2.4.	Hedging	773
20.3.	Financial and performance guarantees	774
20.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	774

20.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	776
20.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	777
20.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	777
20.3.5.	TP methods	777
20.3.6.	Use of range of results	778
20.3.7.	Requirement for outcomes to make commercial sense	778
20.4.	Factoring	778
20.5.	Captive insurance	779
20.6.	Leasing	781
20.7.	Other forms of financing and credit risk arrangements	783
Chapter 21:	Switzerland	785
	<i>Raoul Stocker</i>	
21.1.	Defining an intra-group financing policy	785
21.2.	Treasury function	787
21.2.1.	Intra-group loans	788
21.2.1.1.	Loan or equity	788
21.2.1.2.	Profit participating loans	789
21.2.1.3.	Interaction between thin capitalization and TP legislation	789
21.2.2.	Arm's length interest rate	793
21.2.2.1.	Interest charged	793
21.2.2.2.	TP methods	797
21.2.3.	Cash pooling	799
21.2.3.1.	Interest	801

Table of Contents

21.2.3.2.	Remuneration CPL	802
21.2.3.3.	Allocation of cash pool benefit	803
21.2.3.4.	Documentation	803
21.2.3.5.	Advance pricing agreements (APAs)	804
21.2.4.	Hedging	804
21.3.	Financial and performance guarantees	805
21.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	805
21.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	805
21.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	807
21.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	809
21.3.5.	TP methods	809
21.3.6.	Use of range of results	811
21.3.7.	Requirement for outcomes to make commercial sense	812
21.4.	Factoring	812
21.5.	Captive insurance	813
21.6.	Leasing	813
21.7.	Other forms of financing and credit risk arrangements	815

Chapter 22:	United Kingdom	817
	<i>Steve Labrum, Patrick O’Gara, Nick Evans and Elsa Baumes</i>	
22.1.	Defining an intra-group financing policy	817
22.1.1.	General considerations	817
22.1.2.	Financial services	818
22.1.3.	Documentation	818
22.1.4.	Impact of the COVID-19 pandemic	820
22.2.	Treasury function	820
22.2.1.	Intra-group loans	821
22.2.1.1.	Loan or equity	821
22.2.1.2.	Profit participating loans	829
22.2.1.3.	Interaction between thin capitalization and TP legislation	830
22.2.2.	Arm’s length interest rate	832
22.2.2.1.	Interest charged	832
22.2.2.2.	TP methods	835
22.2.3.	Cash pooling	836
22.2.3.1.	Interest	836
22.2.3.2.	Remuneration CPL	837
22.2.3.3.	Allocation of cash pool benefit	838
22.2.3.4.	Documentation	840
22.2.3.5.	Advance pricing agreements (APAs)	840
22.2.4.	Hedging	840
22.3.	Financial and performance guarantees	842
22.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	845
22.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	845
22.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	846
22.3.4.	A parent company provides a guarantee to a subsidiary, which is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	846

22.3.5.	TP methods	847
22.3.6.	Use of range of results	849
22.3.7.	Requirement for outcomes to make commercial sense	849
22.4.	Factoring	850
22.5.	Captive insurance	851
22.6.	Leasing	853
22.7.	Other forms of financing and credit risk arrangements	855
Chapter 23:	United States	857
	<i>Bob Ritter</i>	
23.1.	Defining an intra-group financing policy	857
23.1.1.	US legislative framework of intra-group financing	857
23.1.2.	Documentation	858
23.1.3.	Conclusion	861
23.2.	Treasury function	862
23.2.1.	Intra-group loans	863
23.2.1.1.	Loan or equity	863
23.2.1.2.	Profit participating loans	870
23.2.1.3.	Interaction between thin capitalization and TP legislation	870
23.2.2.	Arm's length interest rate	871
23.2.2.1.	Interest charged	871
23.2.2.2.	TP methods	873
23.2.3.	Cash pooling	875
23.2.3.1.	Interest	875
23.2.3.2.	Remuneration CPL	878
23.2.3.3.	Allocation of cash pool benefit	879
23.2.3.4.	Documentation	879
23.2.3.5.	Advance pricing agreements (APAs)	880
23.2.4.	Hedging	880

23.3.	Financial and performance guarantees	881
23.3.1.	A parent guaranteeing the debt of a wholly owned group company that is unable, on a stand-alone basis, to borrow the debt funding it needs	881
23.3.2.	A parent or offshore associate provides debt funding to a group company that has the financial strength to be able to borrow the debt funding it needs without support from its parent company	887
23.3.3.	A parent company funding a subsidiary that is unable to borrow the funds it needs on a stand-alone basis	888
23.3.4.	A parent company provides a guarantee to a subsidiary that is able to borrow the funds it needs on a stand-alone basis, to allow the subsidiary to access funding at the lower cost available to the parent	888
23.3.5.	TP methods	888
23.3.5.1.	Market approach	889
23.3.5.2.	Yield/spread (credit enhancement) approach	889
23.3.5.3.	Loss given default (LGD) framework	890
23.3.6.	Use of range of results	891
23.3.7.	Requirement for outcomes to make commercial sense	891
23.4.	Factoring	891
23.5.	Captive insurance	894
23.6.	Leasing	895
23.7.	Other forms of financing and credit risk arrangements	896

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