IBFD Webinar
Functional Analysis in Transfer Pricing

22 May 2019
Summary
Functional analysis is part of the comparability analysis. In fact, it is probably the most subjective and thus intriguing part of it. Understanding the *functions* parties perform, the *assets* they employ and the *risks* they assume (also called FAR analysis) as well as the relative importance of each for setting the transfer price (i.e. remuneration) is a hard task, which has particular challenges for MNEs and tax administrations alike. This webinar will introduce participants to the notion of functional analysis and give a practical overview of the steps to take to conduct the FAR exercise.

**Please note:** Registration for the live webinar will be closed in the morning one day prior to broadcasting or when the maximum number of registrations has been reached. Webinars can be purchased by credit card only.

**Client offer:** 20% discount for IBFD Membership clients and 10% discount for Global Tax Explorer (Plus) clients.

**Bulk discount:** a 20% discount will be applied to registrations received for 5 people or more made in one order.

**Overview and learning objectives**
The presenters will explain, among other things, why comparability is important, what the role of the functional analysis is in comparability analysis, how functions, assets and risks influence the price of a transaction, and what key attention points exist for MNEs and tax administrations. The presenters will include practical examples to showcase the FAR analysis and its challenges.

After following this webinar, participants will be able to:
- realize the relevance of functional analysis
- comprehend the differences between functional and value chain analysis
- recognize the steps of FAR
- understand the problems related to the identification of functions, assets and risks
- apprehend the new OECD approach to risk analysis
- document FAR
- appreciate recent cases in which functional analysis was an issue

**Field of study**
Taxes
Who should participate
The webinar is suitable for tax and transfer pricing professionals as well as non-tax specialists, including in-house and accounting personnel, lawyers, government agents and advisers who deal or will deal with transfer pricing and would like to be introduced to functional analysis.

Course level and prerequisites
This is a basic-level webinar. There are no prerequisites.

Advance preparation
Participation in this webinar does not require any preparation.

Interactive webinar - “Group Internet Based” (live webinar only)
To safeguard the interactive nature of the webinar, a limited number of participants will be accepted. Early registration is therefore recommended. During live webinars, it is possible to interact with the presenters via a chat message function. Please note that questions are answered based on relevance, order of receipt and available time. Additionally, participants in the live webinar are invited to answer poll questions or complete short tests. Participants will also have access to the on-demand version for a further 12 months from the live date.

Date of recording: 22 May 2019

On-demand webinar
On-demand webinars are intended for individual self-study only. Unlike live webinars, they are not open to interactive participation or assistance of a real-time instructor. Access to on-demand webinars is granted for a period of 12 months from the date of registration and/or live broadcast.

Continuing Professional Education
Many accrediting organizations will grant CPE credit(s) for an IBFD audiovisual broadcast. It is advisable, however, that you check with your accrediting body as to whether this applies only to live webinars or to on-demand webinars as well.

Webinar registration details
If you have any questions regarding following the webinar, technical requirements, payments or cancellations, please consult our FAQ.
Agenda

- Setting the scene
  - the role and importance of comparability analysis in transfer pricing
  - functional analysis as part of comparability
  - functional vs value chain analysis
- Practical approaches to FAR
  - identifying critical, economically significant FAR
    - how to do the assessment?
    - what is the value of each element?
  - the FAR analysis process
  - merits and problems of different approaches
  - risk analysis
    - the impact of the new OECD 2017 Transfer Pricing Guidelines
    - the new six-step analysis: assumption, control, management and financial bearing of risk
- Practical considerations for MNEs and tax administrations
- Documenting the results of FAR
- Some recent transfer pricing case law about functional analysis
- Other recent developments
- Closing