Capability Statement

Transfer Pricing

The Issue

Tax authorities in all jurisdictions are very interested in pricing between related parties. If you are supplying goods or services into a related entity in Australia, the Australian Taxation Office is very interested in how you price the supply invoice. The same will apply if you are an Australian company selling to a related entity overseas. Documentation is vital to support your position. Think you are under the radar? Think again.

What we do for you

Transfer pricing is a complex area that requires professional navigation. The ATO has a defined process, and you ignore it at your peril. Our experienced tax team can work with your finance team and overseas entities to ensure that the evidence file is complete and will pass scrutiny.

Our tax professionals can assist as follows:

a. We can provide a summary overview of the requirements and give your finance team direction as to information and documentation required.

b. Either your team can provide the documentation to us and we will prepare and complete your transfer pricing modelling, or your team can do the modelling, and we can review it.

c. Once the modelling is complete and you have reviewed it and made your decision around pricing of goods and services provided to related entities overseas, or from overseas to Australia, we can complete final documentation and provide our final advice on your level of compliance.

d. If it is appropriate, we may recommend making a submission to the ATO under a Private Ruling request. This will involve submitting the modelling and documentation to the ATO, dealing with their further requests for information, assessing their conclusions and if necessary, dealing with any adverse findings.

e. When lodging an income tax return in Australia, any international dealings must be separately disclosed. We can provide instructions to your team on the information required so that they can collate it during the year. When preparing the return, we can then ensure that you make proper disclosure.

Connect to possibility

Capability Statement

The Benefits

The benefits to you are:

1. You will be able to fully comply with the requirements of the local and overseas tax authorities.
2. You will be fully aware of the parameters that apply and can be confident in the decisions you make around pricing of goods and services supplied to related parties.
3. There should be no surprises when you lodge your income tax return.
4. In the event of an audit or review of your tax affairs, any transfer pricing issues should be in order.

What’s next

Contact UHY to arrange a discussion about how we can best assist you. Connect with us and connect to possibility.