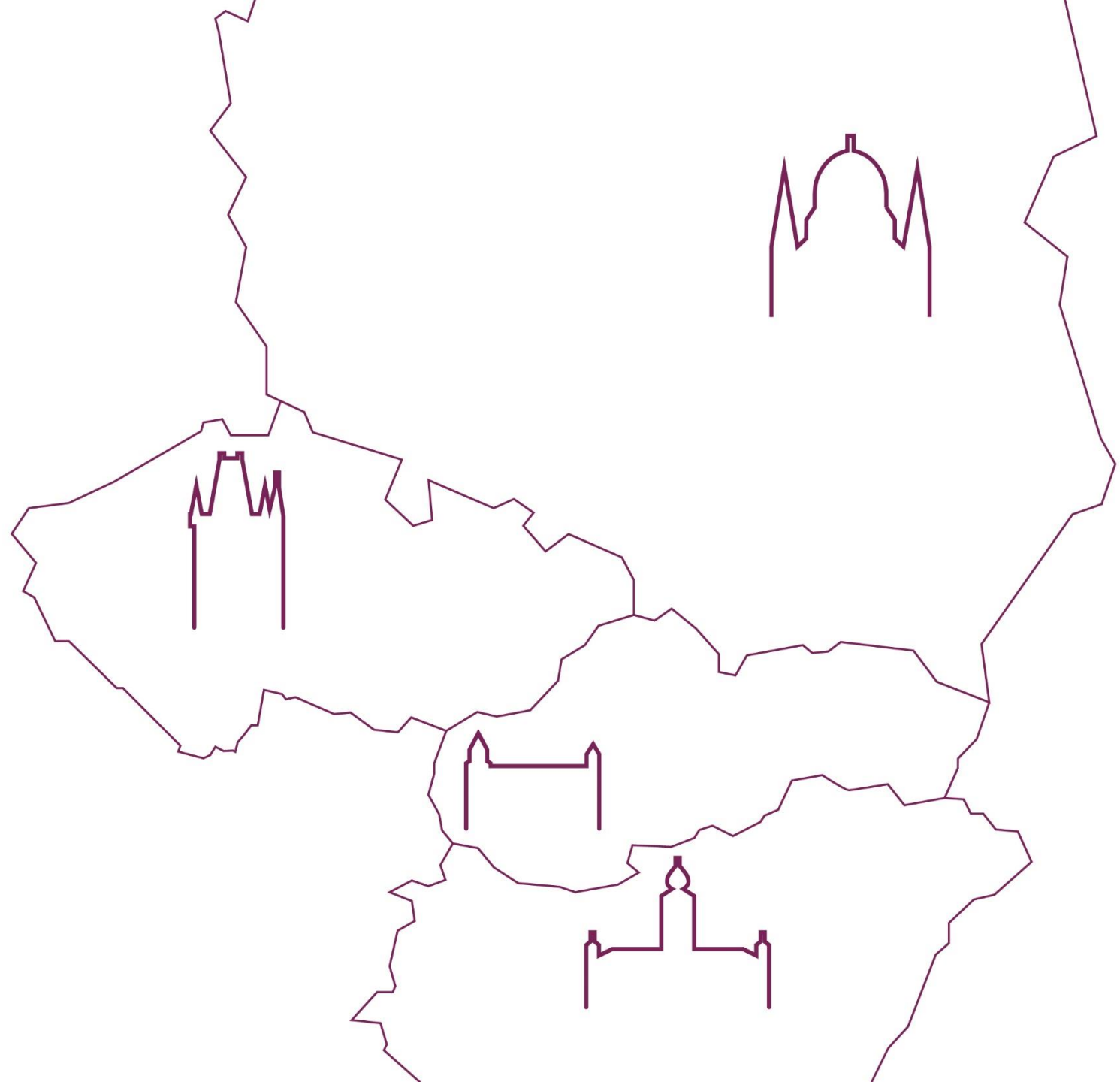


Challenges in comparability analysis, lack of comparables

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Comparability analysis

- Comparability factors according to OECD Transfer Pricing Guidelines (2017)
(1.33 – 1.118)
 - Contractual terms
 - Functions, assets, risks
 - Characteristic of property/service
 - Economic circumstances
 - Business strategies
- Comparability adjustments (3.47 – 3.54)
 - CUP adjustments
 - Working capital adjustments



Search strategy

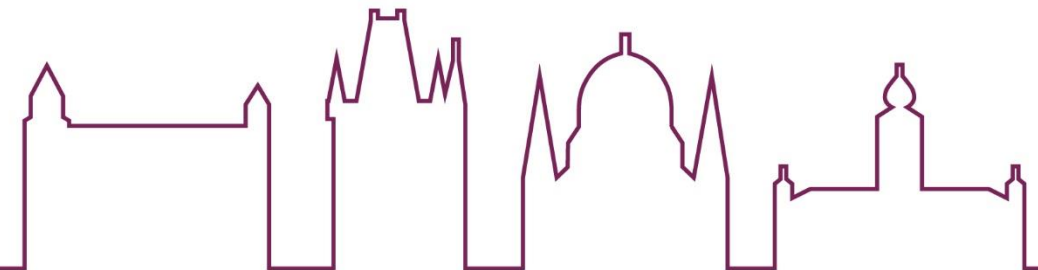
EU JTPF: Report on the use of comparables in the EU (2016)

■ Quantitative analysis

- Industry
- Geographical scope
- Independence
- Status of activity
- Data availability
- Operating revenue
- Other (start-up, OPEX)

■ Qualitative analysis

- Web analysis
- Financial Statements
- Other



Serious challenges

- Independency criteria
- Consolidation of markets
- Benchmarking multinationals with small businesses
- Excessive use of databases
- Resignation to traditional transaction methods



Possible solutions

■ Decreased level of comparability requirements

- Broadening search criteria (3.38 – 3.39 OECD TPG)
- Application of the transactional profit split method
- Use of data from other markets

■ Non-market approaches

- Safe harbours
- Global formulary apportionment (1.16 – 1.32 OECD TPG)
- Internal rates of return
- Deemed pricing



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**Thank you for your
attention.**

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