

– Accounting and tax related advisory services

International taxation_ Transfer pricing

TK Global Transaction Advisory Co., Ltd.

We provide advisory services for transfer pricing by global companies through teams specializing in transfer price tax systems with abundant practical experience.

As some multinational corporations operating global businesses have manipulated transfer pricing in order to reduce taxes, there have been frequent cases of companies excessively transferring income to countries with low tax rates. In response, global attention has focused on problems related to transfer pricing. The Organization for Economic Cooperation and Development (OECD) announced the "Base Erosion and Profit Shifting (BEPS) Action Plan," aiming at achieving fair taxation. Under this plan, efforts have been made to build frameworks for fair taxation internationally and countries around the world have been developing laws and regulations in line with these efforts, which are continuing to this day.

This trend toward stronger global compliance concerning transfer pricing has the effect of increasing potential taxation risk for multinational corporations. It is fair to say that measures to address transfer pricing are already an important management issue that cannot be ignored by multinational corporations who value their accountability to shareholders, regardless of the scale of the company.

Information related to international taxation, including transfer pricing, is also attracting attention as an aspect of Environment, Social, and Governance (ESG) information. Today, when ESG-conscious management is seen as necessary for the long-term growth of companies, companies face the pressing issue of developing highly transparent policies related to transfer pricing.

At Tokyo Kyodo Accounting Office, we work with RSM International, an international network of accounting offices that is the sixth largest in the world, to provide advisory services in which we accurately analyze and assess our clients' transfer pricing issues, discuss clients' aspirations, and consider transfer pricing problems as a management issue, based on trends in transfer pricing investigations and practical issues, as transfer pricing evolves into forms suited to increasingly complex systems in Japan and overseas.

Services

1 Transfer pricing risk assessment

Proposal of policies related to future transfer pricing measures suited to clients' circumstances, based on qualitative and quantitative analysis and assessment of transfer pricing taxation risk related to transactions with foreign affiliates

2 Transfer pricing analysis for price setting in transactions with foreign affiliates, etc.

Analysis from a transfer pricing taxation perspective concerning price-setting for transactions with foreign affiliates to be executed in the future or executed in the past

3 Support for the preparation of transfer pricing documentation to comply with BEPS

Support for the preparation or updating of the Master File (MF), Country by Country Report (CbCR), and Local File (LF), as required under transfer pricing taxation systems

4 Support for transfer pricing policy formulation and introduction

Introduction support aimed at the preparation and Plan, Do, Check (PDC) management of documentation summarizing guidelines and internal rules related to price-setting for transactions with foreign affiliates

5 Support for the acquisition of advance pricing agreements (APAs)

Support for the acquisition of bilateral or unilateral APAs aimed at addressing transfer pricing problems in advance and avoiding risks such as taxation investigations, which are likely to involve an administrative burden and significant costs

6 Support for filing for intergovernmental negotiations (mutual negotiations)

Support for filing for mutual negotiations aimed at eliminating double taxation after transfer pricing taxation

7 Valuation services for taxation purposes

Support for the calculation of consideration for the transfer of businesses, intangible assets, etc.

8 Advisory agreements for transfer pricing consultation

Response to general consultations related to transfer pricing and advisory services, including the provision of information on matters such as transfer pricing taxation outside Japan via RSM International

9 Advisory services for financial transfer pricing

Advisory services related to financial services transactions involving banks, securities, etc., and financial transactions by operating companies (lending, entrustment of debt guarantees, cash pooling, captive insurance, etc.)

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Strengths of our services

- Practical services suited to clients' circumstances, including taxation investigations, based on abundant experience from implementing transfer pricing measures across various industries, from manufacturing to finance, over many years at major international accounting firms
- Support for practical solutions to clients' issues by experts with in-house practical experience of transfer pricing at operating companies, etc.
- Leading expertise and track record in the industry for transfer pricing advisory services related to financial transactions

Features of our services

1 Strong global network

As part of our aspiration to make further progress in this area, we maintain close relationships with accounting firms outside Japan that are members of RSM International, an international network of accounting offices that is the sixth largest in the world, through the exchange of transfer pricing information, shared transfer pricing projects, and other initiatives. In particular, related parties have impacts across multiple countries in transfer pricing projects, so we are able to leverage this global network to offer high value-added services.

2 Strong global reputation

In the World Transfer Pricing rankings, held by the "International Tax Review," Tokyo Kyodo Accounting Office has been rated highly every year, securing strong praise as a Leading Firm for Japan since the year we first entered the rankings, based on our high levels of expertise and client satisfaction.*We offer high value-added expert services for clients and markets on the global stage.* Tier 2 in "2024 World's Leading Transfer Pricing Firms" for Asia (Japan)

3 Professionals with abundant experience

Our members are experts with at least 10 years' experience in transfer pricing teams at major international accounting firms, and experience in transfer pricing advisory services across various industries. In particular, our track record in financial transfer pricing, not just financial services for financial institutions but also advisory services concerning financial transactions for operating companies, is among the best in the industry. One of our strengths is our expertise in financial transfer pricing, which it is fair to say is rare, even among major international accounting firms.

Company

Company name: TK Global Transaction Advisory Co., Ltd

Overseas network: RSM International (Correspondent Firm)

*Member as a joint Tokyo accounting firm

E-mail: info@tkao.com Tel: + 81-3-5223-9570(main)

Shintaro Kosaka E-mail: shintaro-kosaka@tkao.com

Hirotsugu Watanabe E-mail: hirotsugu-watanabe@tkao.com

URL: <https://www.tkao.com/e/service/transfer-pricing/>