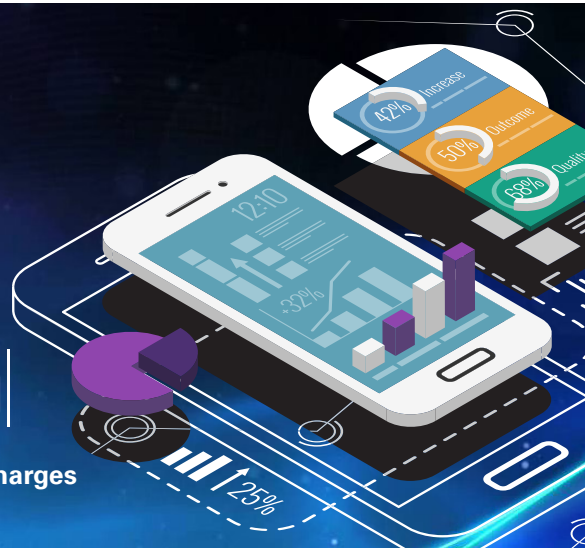




# KPMG Transfer Pricing Document Maintenance Tool

Automate collation of backup documents for inter company charges



**An application that automates collation of emails from various users as back up documentation for tax proceedings.**

## Background

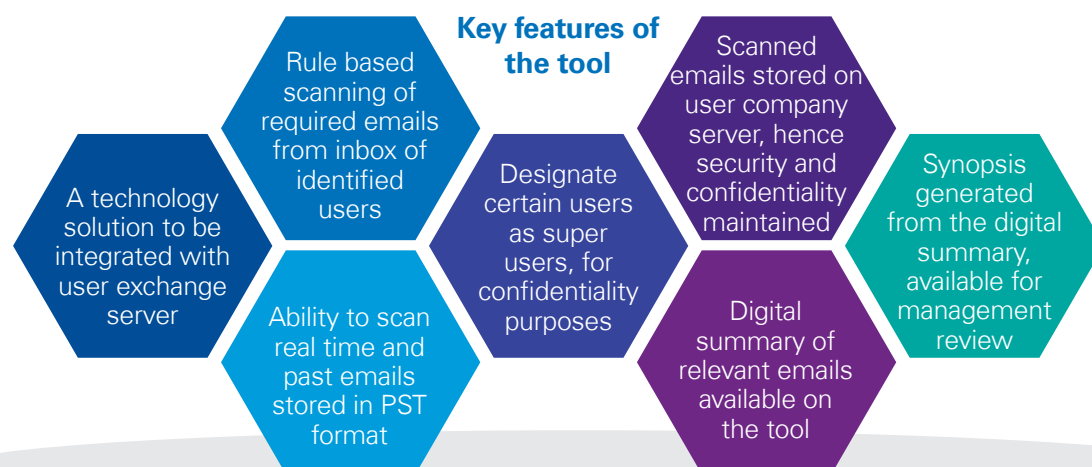
It is common for multinational groups to undertake certain activities centrally and allocate the costs (along with an arm's length mark-up) to local or global beneficiaries of these activities/services. Payment for these activities/services is commonly referred to as management cross charges.

Management cross charges are considered as one of the key risk areas (for tax litigation) by authorities globally and has always been at the centerstage of tax controversy. Tax authorities in many cases challenge the deductibility of these payments and require evidence (the benefit) of these intragroup services having been received. This evidence is generally in the form of email support, call records, underlying deliverables etc. to support that the services were actually received and that it has benefited the recipient and hence is eligible to be tax deductible.

## Challenges

- Typically, service recipients receive very summarised supporting documents from group companies for cross charges. Tax authorities generally require more detailed supporting documents, which is often inaccessible
- Evidence for cross charges are mostly available in the form of emails and correspondence between the service recipient and service provider. Collation of this data from several users is a time consuming exercise, and can often be inefficient and ineffective
- Due to the time lag between receiving the services, and being assessed by the tax authorities, it is difficult to then search for supporting emails.

To address these challenges, KPMG in India has developed a technology solution, that can help clients collate emails on a timely basis, leading to proactively maintaining backup documentation.



## Powering your defence



### More time for value added activities

The tool seeks to address the challenge of collating supporting evidence from various users' mailboxes in an efficient manner.



### Improved efficiency

The scanned emails are available in a common repository on your server. It focusses the review effort for supporting documents before submission to tax authorities.



### Institutional-isation of data

Supporting data can be collected on a real time basis or from past emails.



### Proactive documentation

Ability to proactively prepare and submit structured data to tax authorities.



### Flexibility

The tool is flexible and can be customised to collect supporting documentation in other applicable circumstances as well.

## Value proposition

KPMG Transfer Pricing Document Maintenance tool offers a significant advantage over the rigid and traditional approach of collation of data

Summary of intragroup services in a digitised form available to the organisation at a click

Data security is at the forefront, application to be placed on your server

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