We can help you get your transfer pricing documentation aligned with the highest standards.

Our reports are in line with the recently published Article 56bis Luxembourg Income Tax Law, which stresses that:

- the economic rationale for all intercompany transactions must be documented
- all intercompany transactions must be seen in the context of a wider value chain analysis

### Key points

- Economic rationale matters (e.g. contractual terms should be realistic).
- Transfer pricing should be explained in the wider context of the whole value chain.
- A contract is not enough ➔ the actual behavior of the related entities is what matters.
Financing companies: we can help you comply with the new transfer pricing circular.

Our service offers you:

- help navigating through the new requirements
- the ability to meet challenges around beneficial ownership and withholding tax, in particular in the areas of:
  - **economic substance**: equity requirements have changed; thus, equity positions for financing purposes may need to be revisited
  - **organisational substance**: it needs to be shown the Luxembourg-resident board members actively participate in the decision-making process and are qualified to exercise their responsibilities

We can guide you through the new transfer pricing requirements, which concern three areas in particular:

- Board
- Employee and office
- Equity

For contact details please go to: [www.kpmg.lu/alternativeinvestments](http://www.kpmg.lu/alternativeinvestments)