



Transfer Pricing Tax Services

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A&M's Transfer Pricing Tax Services team assists clients in complying with transfer pricing regulations by accurately determining the fair market value of intercompany transactions conducted locally or internationally among related parties. Our team also provides support for complex business reorganizations involving the valuation or transfer of assets, functions, and risks. Additionally, we determine the appropriate classification of the group's companies based on the assets, risks, and functions each subsidiary undertakes—such as limited risk versus full-fledged manufacturing, distribution, financing, and services, among other activities.

WHY OUR CLIENTS CHOOSE US

- **Trusted partner:** We make it our business to know our client's business, providing tailor made advisory and support. We work alongside our clients to drive the most tax-efficient outcomes.
- **Independence:** A&M is not an auditing firm, giving us the freedom to move nimbly without administrative and governance processes blocking the way.
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- **Network:** We have ample experience interacting with the Mexican tax authorities, and, because we are embedded in an international tax practice, we can provide multijurisdictional solutions.

Request for information

Compiling all necessary tax, financial and operative background information provides a solid foundation for the analysis.

Restructuring

When the transfer pricing team handles the corporate restructuring of a national or multinational group, they conduct an economic and functional analysis of the group's companies. This analysis is performed alongside an examination of the intercompany transactions before and after the restructuring, to determine the post-restructuring transfer pricing conditions for these transactions.

Valuation

For valuing specific assets or transactions, we will need information about the transaction, including financial projections of the specific projects. Descriptions of the transactions will be analyzed before assessing the value of the assets or transactions using international standards.

Analysis

Functional and economic analysis must be performed, and appropriate benchmarking, payments and materiality must be assessed to accurately price them for a transaction.

Recommendations

Depending on the results of the analysis, transfer pricing and tax recommendations will be made based on the analysis performed.

Deliverable

A comprehensive document containing the results of the analysis is provided to the client, along with the relevant tax returns and forms required for transfer pricing purposes. This includes transfer pricing studies, local files, country-by-country reports, and master files.



THE A&M DIFFERENCE

- **Mitigate Risks:** Failure to comply with Mexican and international tax rules can lead to rejected deductions and extra taxes for inaccurate appraisals.
- **Ecompliance:** Accurately valuing assets and transactions at market prices helps companies avoid adjustments and save money.
- **Create Confidence:** Staying abreast of tax regulations and ensuring compliance reduces risks and penalties.
- **Manage Effective Tax Rate (ETR):** Transfer pricing analyses are crucial tools on an ETR assessment and improvement.
- **Provide Value-Added Services:** Improving transfer pricing can benefit the organization by generating cash, saving costs, optimizing the corporate tax position and ETR, and avoiding non-compliance penalties.

TRANSFER PRICING TAX SERVICES

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