

FINANCIAL AGILITY for Transfer Pricing

LOOK RIGHT

PEBBLETAX SERIES

TURN YOUR GROUP FINANCIAL DATA INTO COMPLIANT TRANSFER PRICING INFORMATION

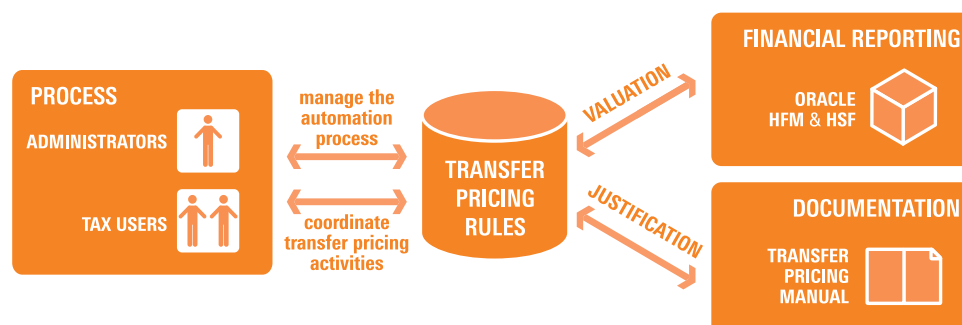
As tax transfer pricing relies increasingly on financial aspects that are at the group level, one solution stands alone in its capability to handle legal, economic, and tax issues within a single financial repository. This system is Financial Agility for Transfer Pricing, the first system that allows your tax department to reuse Oracle HFM financial reporting data to automate transfer pricing calculation processes; saving your employees countless hours engaged in manual processes, while allowing you to meet the highest regulatory standards.

Business response to transfer pricing issues are various and most advanced multinational companies developed complex business structures trying to avoid transfer price risk exposure. This increase the need of demonstrating tax compliance in allocating profits among group subsidiaries. With Financial Agility you can implement complementary customized calculation and justification processes that will help you to overcome usual transfer pricing defense strategies.

Solution outlook

Financial Agility Transfer Pricing is a one stop shop helping tax departments to:

- fully integrated with Oracle HFM and HSF (data and functionalities);
- assess transfer pricing valuations, while reusing the same data for tax and financial reporting;
- centralize all transfer pricing rules, and maintain them over time in line with tax compliance requirements and business changes;
- automate transfer pricing processes, and coordinate user activities;
- validate and share transfer pricing documentation;
- achieve tax compliance and avoid penalties, by engaging unique traceability features.



“Transfer pricing accuracy, reliability and compliance have to rely on sound solutions and systems, not only on skills of key staff members”

Benefits

Cost estimations, profit sharing or royalty distribution rely most of the time on complex financial calculations. How can you ensure that manufacturing costs are accounted properly and compliant with tax principles? how can you determine an average resale price for marketing fees or distributed goods? which drivers do you use for shared services recharges? All these are questions of primary importance.

With PebbleAge Financial Agility for Oracle HFM, our financial module included in the solution, you can define, automate and maintain easily all financial calculation processes and include all mandatory details, documentation and audit trail in your final report. All the group financial data used for legal and management reporting are there and ready to be used for transfer pricing rule defense.

Enhance the control

Managing systematically transfer pricing will enhance the control and analysis of transfer pricing reporting and will help in the identification of future cost reduction opportunities.

Important return on investment

Payback is usually secured within the first year with an important additional reward in term of transfer pricing risk mitigation.

Automation increase productivity and decrease risks

Automation of existing manual or spreadsheet based system which can no longer be maintained due to significant growth of volumes and compliance requirements from authorities

Process traceability

Satisfying highest transfer pricing requirement company's processes need to satisfy documentation and justification requirements, from calculation model to dynamic process execution and traceability

Improve day to day activities

Monthly transfer pricing process require usually lot of initialisation and validation tasks.

In our solution, each transfer pricing model or object is defined within a context and using selections in order to facilitate maximum reuse of transfer pricing patterns from period to period or across organisational units.

Common language

Sharing the same database and system, Finance and Tax offices can develop a Common understanding of transfer pricing issues and solutions.

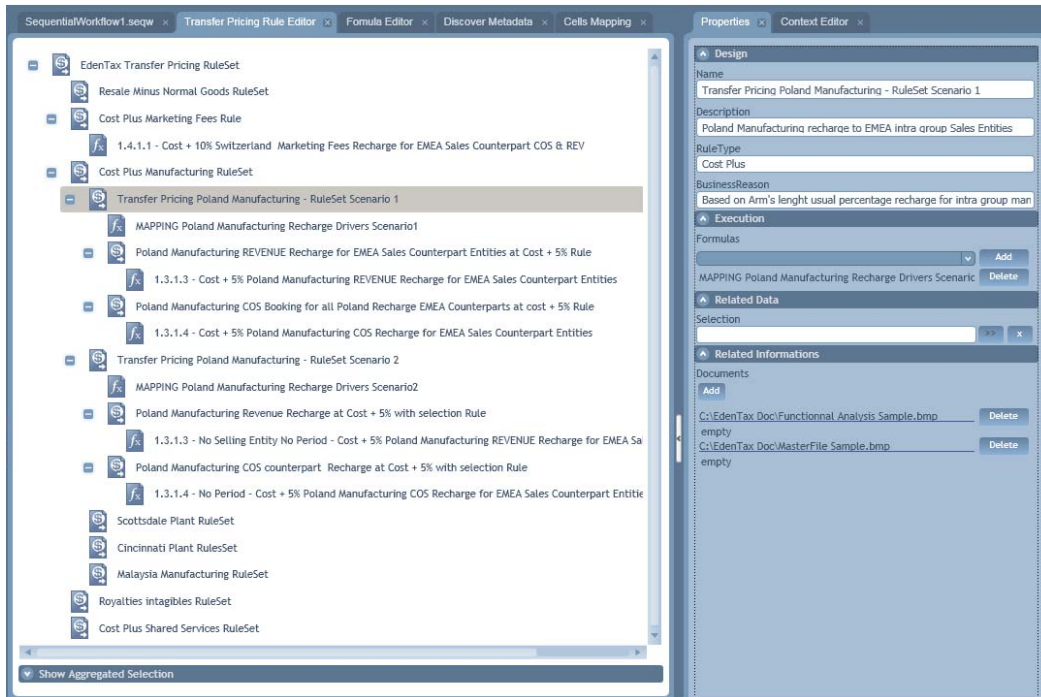


Features

Manage all transfer pricing rules by nature of recharge or transfer, related business units (buyer and seller side), calculation method and link to financial data through formulas and documentation and argumentation.

Intra group transaction management

With PebbleTax for transfer pricing you can reconcile intra group transactions with local accounting for financial integrity and create billing material and booking based on calculations.



Transfer pricing process execution

Process execution is done by the workflow engine that execute any process activities as defined and trace results for compliance requirements. Graphical indicators and dynamic animation help users to follow execution at the process level and drill down to execution details.

Generate and customize your documentation for justification

Produce audit trail and justified transfer pricing documentation based on descriptions, business reasons and external documents users have associated to transfer pricing processes and rules during design.

Integrate with your current transfer pricing tools and practices

The basis of Financial Agility is its ability to exactly map your business and change as you change. Due to high extensibility capabilities, every custom transfer pricing activity can be represented and coordinated through Financial Agility processes. Thus, we can integrate easily existing manual or spreadsheet practices or define any coordination with external tools, allowing you to take into account existing approaches and transition smoothly to new practices

Financial reporting with transfer pricing data

Afford a stronger control on the transfer pricing process and a cleaner audit trail, allowing you to produce detailed reporting of monthly results with all transfer pricing data included or simulated.

Transfer pricing simulation

Depending on Driver configuration and formula adjustments, you can try more than one scenario for transfer pricing calculation. Then you can compare local and consolidated financial figures with tax recalculation or estimation based on different transfer pricing scenarios.

Systematic audit trail at data level if needed with a simple configuration into the transfer pricing model.

Retroactive analysis

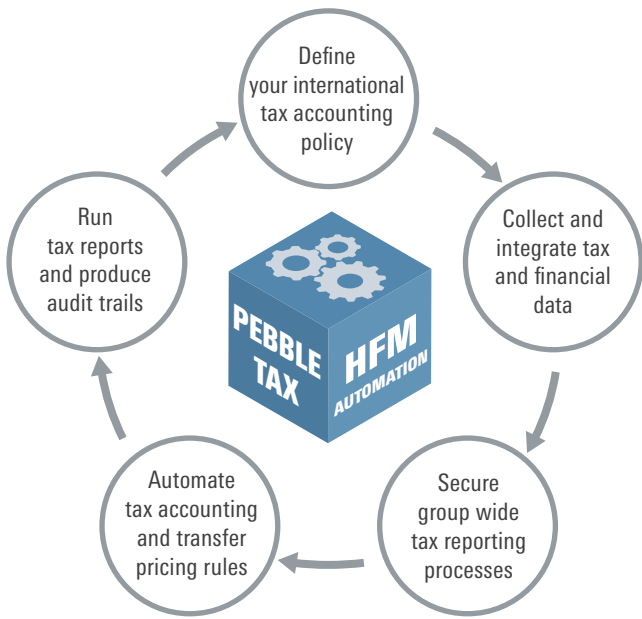
Same approach can be applied to prior years statements, reducing the risk of compliance in case of control.

Oracle and Microsoft Foundations

Our solution is based on Oracle and Microsoft technologies, ensuring both the widest integration with other solutions and a strong platform for the future.

“Taxes have to be included in the consolidated financials of a company, providing ONE SINGLE VERSION of the truth”

5 steps to secure your tax process



The transfer pricing issue

All enterprises that operate in more than one country have to calculate, justify and report the part of revenue that belongs to each jurisdiction. The business integration and cross-country spanning activities of such companies require defining the price used in internal sales between subsidiaries of a same group. This price is called transfer price.

The choice of the transfer price will affect the allocation of the total profit among the parts of the companies. This is a major concern for fiscal authorities who worry that multi-national entities may set transfer prices on cross-border transactions to reduce taxable profits in their jurisdiction. This has led to the rise of transfer pricing regulations and enforcement, making transfer pricing a major tax compliance issue for multi-national companies.



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