

Bombay Chartered Accountants' Society

International Taxation Committee

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3 DAY WORKSHOP ON ADVANCED TRANSFER PRICING

Day & Date	Friday 7 th April 2017, Saturday 8 th April 2017 & Saturday 15 th April 2017
Venue	BCAS 7, Jolly Bhavan No.2, New Marine Lines, Mumbai 400020

No	Sessions of 3 hours each	Particulars
Day 1	Session 1 (Conceptual Theory)	Indian Transfer Pricing Regulations and OECD BEPS report in relation to Transfer Pricing (CBCR and Intangibles). Understanding of Functions, Assets and Risks of manufacturing, distribution and service companies. Methods to benchmark international transactions.
	Session 2 (Practical Workshop)	Practical identification of FAR from review of Annual Report using financial metrics industry-wise. Following industries would be discussed independently: <ul style="list-style-type: none">- Manufacturing company- Distribution and marketing company- Service Company- Infrastructure or Capital Intensive Company- IP owned company earning royalties- Manufacturing or Pharma R&D company earning royalties- Holding company providing management services- Software company providing R&D and Development services and Distribution Services- Support company providing engineering, marketing, logistical and technical support- Start-up company - penetrating market- Companies providing services with High Intangible Value This session will be based on live examples with Case Law analysis on their acceptability, if any.

<p>Day 2</p>	<p>Session 3 (Practical Workshop)</p>	<p>TP Adjustments (Part I) to determine ALP closer to reality</p> <ol style="list-style-type: none"> 1) Working Capital Adjustments <ul style="list-style-type: none"> - Method (formula based on different Industry, Business Model, etc.) - Case law Analysis (including service sector) - 3 examples 2) Risk Adjustments <ul style="list-style-type: none"> - Method (arbitrary, CAPM, etc.) - Case law Analysis - 3 examples (includes CAPM and other methods) <p>This session will be based on live examples with Case Law analysis on their acceptability, if any.</p>
	<p>Session 4 (Practical Workshop)</p>	<p>TP Adjustments (Part II) to determine ALP closer to reality</p> <ol style="list-style-type: none"> 1) Capacity Adjustments <ul style="list-style-type: none"> - Method (for listed or unlisted companies) - Applicable to Manufacturing and Service Providers - Case Law Analysis - 3 examples 2) Others (with examples) <ul style="list-style-type: none"> - Should High PLI suggest substantial intangible value (including effects of Trademark, Brand value, other types of IP)? How should one address this issue and make appropriate TP Adjustments? - How should one address High Operating Cost Intensity (high fixed and low variable expenses) and make TP adjustments? - How should one make adjustments for identified unfavorable business decisions / strategy / market penetration / start-ups, etc.? - How should one recognize accounting policy differences and make adjustments for the same? - How should one make Method-based possible adjustments (CUP product different specifications, RPM different accounting policies, PSM different brand value, etc.)? <p>This session will be based on live examples with Case Law analysis on their acceptability, if any.</p>
<p>Day 3</p>	<p>Session 5 (Practical Workshop)</p>	<p>Designing TP systems and decision making - includes drawing/mapping of FAR</p> <ol style="list-style-type: none"> 1) Structuring of Supply Chain Analysis <ul style="list-style-type: none"> - 3 examples - Manufacturing, Distribution, Warehousing and Logistics 2) Structuring of Service Companies - outsourcing of activities <ul style="list-style-type: none"> - 3 examples - EPC contracts, Support Services, etc. 3) Structuring of High Value Service Companies <ul style="list-style-type: none"> - 3 examples – manner of computing Cost savings or Innovation in business processes (services/manufacturing/distribution/R&D) that justifies payment of technical know-how or management fees (or Income). 4) IP R&D companies - Valuation methods, judicial cases <ul style="list-style-type: none"> - 3 examples – on different methods for valuing royalties (other than RoyaltyStat/royalty database). - Whether stages of development of R&D, innovation would matter in respect of determining appropriate royalties? 5) Business Reorganization <ul style="list-style-type: none"> - 3 examples – To identify shifting of FAR intra-group (internal shift) as well as intra-companies through Amalgamation, Demerger, etc.

		How to measure ALP in respect of merger and amalgamation? This session will be based on live examples with Case Law analysis.
	Session 6 (Conceptual Theory)	International Judicial Decisions (other than Indian cases) Analysis difference in comparison to Indian cases