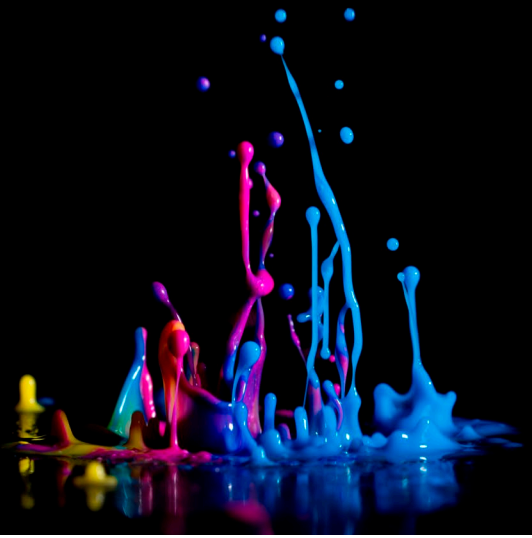**KPMG**

Operational Transfer Pricing – why now?

Global Transfer Pricing Services

Operational Transfer Pricing refers to the implementation and daily execution of transfer pricing policies. As OTP is about processes and data it is predestined to benefit from latest process automation and digitization opportunities now.

Do you experience any of the following in your organization?

Processes

– Difficulties achieving intended transfer pricing results and history of large year-end adjustments

– Manual processes causing delays and errors in calculating transfer prices

– Burdensome requirements for finance and accounting to gather necessary transfer pricing information

– Lack of formal documentation on TP processes, controls and accountabilities

Information / Data

– Inability to efficiently and effectively monitor transfer pricing results throughout the year

– Inconsistent or unpredictable TP results from period to period

– Difficulties forecasting effective tax rates due to complex tax structure and supply chain paired with poor data quality

– Difficulties producing reliable segmented financial information for TP purposes

Systems and technology

– Fragmented ERP environment and patchwork of financial systems

– Manual procedures and Excel spreadsheets for TP calculations

– Implementation of a new ERP system

KPMG Switzerland OTP value proposition

We deliver improvement in the integrity of intercompany reporting, increased operational efficiency and reduced risk through process improvements, enhanced governance and technology implementation.

Process and policy improvement
Recognized techniques (Lean Six Sigma) to identify and test all processes that impact transfer pricing outcomes and achieve process efficiencies

Governance and controls
Implementing appropriate RACI based governance framework to ensure that OTP processes are correctly monitored, controlled and documented

Finance system readiness
Support transfer pricing enablement in new systems and when existing systems are not setup to reflect your TP calculations and transaction flows
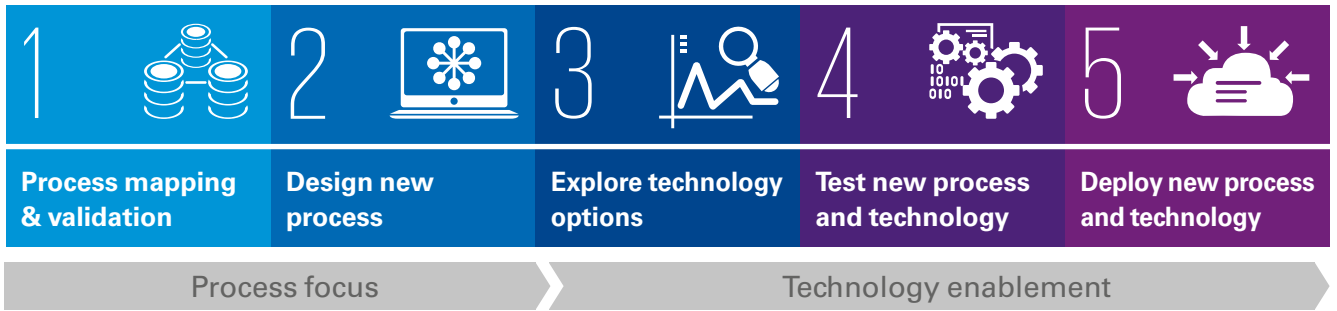
Technology and automation
Recommend and implement the most effective technology solution to individual steps in the OTP process introducing automation whenever possible

A structured and scalable approach

Five steps with clear outcomes will bring you to your optimal OTP solution. You can start small and take it step-by-step.

1	2	3	4	5
Process mapping & validation	**Design new process**	**Explore technology options**	**Test new process and technology**	**Deploy new process and technology**

Process focus → Technology enablement

Your benefits

✔ Improved efficiency through automation

✔ Insights with enhanced analytics and reporting

✔ Improved process controls and risk mitigation including crisis management

✔ Improved accuracy and reliability of data

✔ Increased coordination and collaboration of stakeholders

Contacts

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