



We can provide economic and regulatory advice and expert witness services in the context of litigation or disputes.

## KPMG can help. We combine local capability with Global reach

- We have more than 145,000 professionals and nearly 8,000 partners practicing in KPMG International Cooperative's global network of member firms. KPMG provides Audit, Tax, and Advisory services to many of the world's leading institutions.

## Economic and regulatory capabilities

- Our professionals provide clients with insights, perspectives and investigation, and dispute advisory support in the following areas:

### Competition Economics

- Antitrust and Competition
- Econometric Model Validation
- Industry Economics
- Loss Causation
- Intellectual Property

### Regulation

- Tariff disputes and justification
- Cost of Capital and regulatory returns
- Cost allocation
- Incentives and regulatory activism

### Finance

- Financial Institutions and Markets
- Market Manipulation and Trading Analyses
- Risk Management
- Derivatives and Structured Instruments
- Foreign Exchange Transactions

## Our services

### Competition economics

Expertise to get a better deal in disputes and claims.

## Benefits to our clients

Informed decision-making. A realistic expectation of a settlement outcome.

### Regulatory economics

We assess the impact of new regulations on business activities now and in the future. We inform and shape regulation to optimise value through economic analysis.

A better deal from regulation and avoided disputes with regulators.

### Financial economics

We conduct financial valuations, Market Manipulation and Trading Analyses, Risk valuation, reviews of Derivatives and Structured Instruments and Foreign Exchange Transactions.

A better understanding of risk and returns and the current and future values of financial instruments.

### Macro - Economics and Treasury

We forecast macro trends and the impacts on our clients business over time. We benchmark performance and efficiency.

Clarity on revenues and cost management. Insight into the impact of macro-trends on business value and robustness.

## Contact us:

For more information on how KPMG Economics and Regulatory Dispute Advisory Services can help your business, please contact:

### China and Hong Kong

#### Grant Jamieson

ASPAC Regional Leader Forensic  
Hong Kong  
Tel: +852 2140 2804  
grant.jamieson@kpmg.com

#### Simon Booker

Head of Economics and Regulation  
Tel: +852 2140 2336  
simon.booker@kpmg.com

### KPMG provides:

- Audit, tax and advisory services and industry insight to help organisations negotiate risks and optimise outcomes
- A team of around 9,000 professionals and 300 Partners across 13 offices in Hong Kong and China
- Dedicated professionals who specialise in competition and regulatory economics across a wide range of sectors – from banking and finance, insurance, infrastructure and healthcare, technology, media and telecommunications, industrial markets, and investment management.

## Select experience

### Case 1 – Tariff dispute

Our client, a leading Global telecommunications provider sought our advice over a review of its pricing strategies – in the face of a challenge from a competition body. KPMG provided a thorough economic rationale for the current strategy and demonstrated cost reflectivity in its tariff structure. This avoided a potentially damaging challenge by the competition authority.

### Case 2 – Financial and economic valuations

KPMG was appointed by a public body in Hong Kong to review their financial exposure to a related entity – the viability of which was driven by economic factors. KPMG provided econometric projections of market trends and viability providing clarity on the extent of financial exposure and allowing both parties to quantify risks.

### Case 3 – Risk management

Our client, an Asia-based operating company, required a pricing strategy for use across different territories that reflected market risk. KPMG applied economic tools to derive hurdle rates in emerging markets that had no obvious sovereign risk metrics. We also used Activity Based Costing to build cost-reflective tariff structures across these markets.

### Case 4 – Market manipulation and trading analysis

KPMG was appointed to advise on the appropriate level of returns that should be earned by an organisation, in the context of a potential challenge by a competition body on grounds of anti-competitive practices. We advised on the appropriate Weighted Average Cost of Capital and contributed to the dispute resolution.

## KPMG Economics and Regulation Dispute Advisory Services

KPMG Economics and Regulation Dispute Advisory Services supports our clients to make informed decisions through the use of macro-economic and econometric tools.

Where disputes arise, we use these tools to help achieve or foster optimal outcomes for our clients.

We can provide multi-disciplinary teams comprising economists, competition and regulatory specialists, valuation accountants, forensic practitioners and professionals with actuarial, tax, corporate finance and valuation experience.

KPMG has an international outlook and we are able to respond quickly to enquiries utilising our global network. KPMG's network of competition economists throughout the world means that KPMG in China and Hong Kong is able to offer cross-border expertise and utilise best practice from other jurisdictions as appropriate.

Our expert witnesses have given oral evidence on numerous occasions in Hong Kong and internationally.

[kpmg.com/cn](http://kpmg.com/cn)

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