

CASE STUDY

Industry: Manufacturing

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Firms Role

TransPrice Tax played a crucial role in providing comprehensive transfer pricing and international tax advisory services, ensuring smooth cross-border transactions for manufacturing, distribution, and even the tax treatment of a foreign employee on assignment in India.

About the client

The client is a leading Indian manufacturer of auto ancillaries, following its acquisition by the foreign multinational group.



Matter description

TransPrice Tax focused on structuring efficient transactions between the Indian and foreign entities involved in manufacturing and distribution activities. Additionally, TransPrice Tax addressed the tax implications for a foreign employee's secondment to India.

Transfer Pricing and Model Development

TransPrice Tax developed a customized transfer pricing model specifically tailored to the clients needs. This involved conducting thorough benchmarking exercises to ensure arm's-length pricing and minimize potential tax risks.

Intercompany Agreements and Implementation

TransPrice Tax Drafted clear intercompany agreements for manufacturing and distribution, navigating cost-plus and market-minus models to achieve optimal tax efficiency for the client.

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Secondment Tax Planning

TransPrice Tax provided comprehensive tax advice for the secondment arrangement, encompassing corporate tax and transfer pricing considerations.

This included structuring the arrangement for compliance, outlining necessary documentation, and proposing compliant remuneration models. Throughout the process, TransPrice Tax prioritized minimizing tax implications for both the client and the seconded employee.



Impact

- Addressing intricate post-acquisition challenges, including transfer pricing for manufacturing and distribution across borders.
- Guiding the client through difficulties implementing new transfer pricing models.
- Providing comprehensive advisory services that covered various international tax and transfer pricing issues.
- Offering strategic advice on secondment of foreign employees, considering both corporate tax and transfer pricing.

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To know more get in touch with us



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