

Transfer Pricing Analytics



The value of data analysis
in transfer pricing audits



What is Transfer Pricing Analytics?

Data analysis is the common theme within the services of Coney. The Coney team consists of data analysts, tax consultants, chartered accountants, EDP auditors and risk & control specialists.

During transfer pricing projects we combine the strengths of our different specialties and work closely together with a team of transfer pricing experts.

Transfer Pricing Analytics consists of two components:

1. Analyse and present

The first component is to transform various data into useful information and present this information to the tax department and the transfer pricing specialists. Based on this data, the transfer pricing documentation can be prepared and/or improved. Furthermore, this data can also be used to optimize the supply chain of the company.

2. Control

The second component is to control the transfer pricing process. It is possible to run an automated analysis to monitor the transfer pricing on transactional level at every desired moment. This can be done independently from the monthly or quarterly closings. Data analysis facilitates ongoing monitoring of risk areas and thus defects and risks can be detected quickly. This information can be used by the tax department to make sure the required actions are performed in time.

For the analyses, the following data can be used:

- ✓ Transactions from an ERP system with rates per product and customer (internal and/or external), if necessary broken down by region or branch



- ✓ Available benchmarking information
- ✓ Standards for transfer pricing as contained in the internal transfer pricing guidelines
- ✓ Permitted deviation percentages in prices per product.

Based on this information, deviations (like different pricing of products) from the transfer pricing standards can easily be discovered and adjusted if necessary.

The data monitoring mechanisms that we build with ACL Analytics, Lavastorm Business Analytics and Tableau guard the integrity, accuracy and completeness of the transfer pricing data. The desired insights are given by detailed reports that can be generated at any time.

Our method

Goal of the project

The analyses should provide insight into crucial information about transfer pricing data. The desired insight will be presented by reports that can be generated at any moment and which will give an overview of the required insights and details. In order to reach this goal, the analyses will be prepared by a project team during intensive workshops. Commitment of your internal organisation (for example: your fiscal department) during these workshops is crucial.

Project plan

Before we start with the analysis of the data, we will present a project plan in which the following aspects are included:

- ✓ Estimate of the number of hours required and the associated costs of the joint project team. This team consists of:
 - members of the Coney team;



- transfer pricing experts; - members of your internal team.

- ✓ An overview of the risks and uncertainties that may arise during the project;
- ✓ A detailed schedule with milestones and deadlines;
- ✓ Implementation and acceptance of ACL Analytics and/or Lavastorm Business Analytics in the production environment;
- ✓ Providing training to your internal team so the analyses can be performed completely independent after completion of the project.

Deliverables

As a result of the project, you will be provided with the following:

- ✓ Operating data analyses within an internal environment consisting of scripts and documentation of the data analysis process;
- ✓ Working data-analysis tools within your internal environment;
- ✓ Indication of the duration of a data analysis;
- ✓ Trained internal team which will be able to run the data analyses independently.



Our collaboration with transfer pricing experts

As transfer pricing is a specialized profession, the tax consultants and dataanalysts of Coney collaborate with external transfer pricing specialists whenever necessary. However, Coney only collaborates with transfer pricing specialists who share our data-driven mindset.

Depending on the content of the project, the transfer pricing specialists will more or less take the lead. Coney explicitly withholds itself from transfer pricing documentation, because we believe this is a task that should be performed by the transfer pricing specialists or the tax department of your company. Coney exclusively provides the insight into the data.

Software tools

Depending on the question of our customers and the accessibility of data we use one of or a combination of the following data analysis tools:

ACL Analytics



ACL Analytics works based on scripting. In other words, transfer pricing monitoring issues are translated into pieces of scripts. These scripts then analyse the data files. This process can set to be executed periodically at fixed times. Also, the upload of the data sets can be automated.

Visualising data with Tableau

Tableau is a data visualization tool that gives meaning to figures in the form of interactive charts and maps. The most relevant results are visualized by default in Tableau and can be shared in various ways.





Lavastorm Business Analytics

Since 2013 we have added Lavastorm Business Analytics to our toolbox of



data analysis tools. Lavastorm is a user friendly data analysis solution that visualizes how analyses are built up. Lavastorm also works with scripting, but is oriented more strongly towards the visual aspect of data analysis.

About Coney

Openness, sharing of knowledge, simplicity and innovation are core values that describe the DNA of Coney. Coney always strives to incorporate these core values when collaborating with customers, partners and employees.

Discover your data!

Discover your data is the key to new insights, new opportunities, clear focus on risks and controls and for better management of people and projects. Discover your data is also the basis for robust auditing.

In today's world of ever-changing regulation and increasing digitalization the importance of tools that provide continuous insight into performance and risks is dramatically increasing.

Nowadays, data analysis and process analysis are used in almost every sector. More and more business managers, financials, entrepreneurs and auditors recognize the power of data analysis; new opportunities, new insights and a tighter grip!

Our people

Our people are IT auditors, data analysts, auditors, tax consultants and everything in between. It makes no difference how we support you, what motivates us is always the same. This also applies to our principles about how we do and observe things.



Our service

Data analysis runs through the DNA of our services. We work with the most innovative data analysis software solutions. Our people are deployed on different analytical projects and we are experts in ongoing monitoring. Additionally, we train professionals with a passion for data analysis in our own Coney Academy.

Questions?

Do you have questions or comments about this e-book? Please do not hesitate to contact us! You can get in touch with us by:

- ✓ Calling us at: +31 20 851 9700
- ✓ Sending an e-mail to [Marco Hill](#)
- ✓ Submitting the [contact form](#) on our website