




**ALTUS ECONOMICS**

# **The Altus Advantage**

Meeting the Transfer Pricing Challenge



Altus Economics is a world-class firm specializing in providing transfer pricing services. Broad professional service providers simply do not have the depth of transfer pricing knowledge that Altus brings to every engagement. Our focus puts us in a unique position to offer all manner of services to meet the needs of both multinational taxpayers and their service providers.

### Altus Equals Competitive Advantage

Altus Economics is a focused economic consulting firm that strives to be the best transfer pricing service provider in the industry. Our strict economic focus on transfer pricing gives us a depth of expertise and efficiency few firms can match.

We frequently partner with other professional service providers to augment their service capabilities and to make them more competitive in the marketplace.

Together with our strategic partners, we service clients in a mutually beneficial environment. We believe that in order for a strategic partnership to prosper, it must be nurtured with respect and healthy compromise. Ultimately, both parties must be better off at the end of the day. In all circumstances, the success of Altus is linked directly to the success of our professional service provider partners.

Our professionals have the broad-based transfer pricing experience needed to address all transfer pricing issues faced by multinational corporations and professional service providers.

**Altus is...** comprised of professionals from the Big-Five, Internal Revenue Service, economic consulting, private industry and academic environments.

# TRANSFER PRICING SOLUTIONS



## STRATEGIC PLANNING AND STRUCTURING

**Need:** My client is implementing structural and operational changes for business reasons. I want to make sure we are complying with the appropriate transfer pricing regulations, but I also want to make things as tax efficient as possible.

**Solution:** Altus can provide strategic advice to structure your transfer pricing in creative and compliant ways to help lower your taxes. We can also spot potential transfer pricing issues before they become problems.



## ADVANCE PRICING AGREEMENTS

**Need:** My firm has a lot of cross-border business. Our management team is interested in reducing our transfer pricing risk, but we are not sure how to accomplish this.

**Solution:** An Advance Pricing Agreement (APA) is an agreement between a taxpayer and at least one government tax administration on the transfer pricing methodology to be employed for specific transactions governing specific years. An APA is an

excellent tool for mitigating or eliminating the risk associated with a transfer pricing adjustment or penalty. Altus has extensive experience in dealing with APAs, both from the taxpayer's and the IRS' point of view.

# TRANSFER PRICING SOLUTIONS

## COST SHARING ARRANGEMENTS

**Need:** My client has a cost sharing arrangement in place with a foreign subsidiary. They recently acquired a competitor with significant intangible property. I need help in figuring out how this impacts the cost sharing arrangement and what action is necessary.

**Solution:** Cost sharing arrangements involve the sharing of research and development costs between two or more related parties. Cost sharing arrangements can be an excellent tool for the deployment of research and development activities. If set up inappropriately, cost sharing arrangements can leave your firm with Great risk and potentially large unknown future

costs. We have the technical skills necessary to assist you with calculating an appropriate buy-in payment, establishing an arm's-length royalty payment and assigning arm's-length returns for routine activities contributed by cost sharing participants. Regardless of whether you are considering establishing a cost sharing structure for the first time, or simply need to update an existing structure, we can help you.



## DISPUTE RESOLUTION

**Need:** My company is being audited by the IRS and transfer pricing is the primary issue. I need help in preparing for and managing the audit effectively.

**Solution:** Altus professionals have significant experience in dealing with transfer pricing examinations, administrative appeals and tax litigation. We know first-hand the perspective of the IRS, the corporate taxpayer and the third-party tax advisor.

# TRANSFER PRICING SOLUTIONS

## COMPLIANCE AND DOCUMENTATION

**Need:** My company has a large in-house international tax group, and we prefer to prepare our transfer pricing documentation internally. What we need is somebody to offer an outside opinion on the adequacy of our documentation and any potential risks or exposures we are facing.

**Solution:** The U.S. transfer pricing regulations, under Section 6662 of the Internal Revenue Code, require multinational corporations document the arm's-length nature of their intercompany transactions contemporaneously with the filing of their tax return. Failure to prepare such contemporaneous documentation can result in penalties of 20 to 40 percent of the additional tax resulting from a transfer pricing adjustment. Similar documentation requirements now exist in developed nations all around the world. Altus can help you to ensure your transfer pricing is in compliance with the appropriate regulations, while greatly reducing your risk of adjustments and penalties.

## STATE AND LOCAL

**Need:** My client has a shared services entity in Nevada, and the state of New York is challenging the intercompany charges. I need help in responding to the state's challenges.

**Solution:** The IRS is not the only tax authority in the United States that scrutinizes transfer pricing.



Many state tax authorities have adopted transfer pricing regulations that mirror Section 482 of the Internal Revenue Code. If you have significant business that crosses state boundaries, you could be at risk for a potential transfer pricing adjustment from a state tax

authority. Our professionals have prepared state and local transfer pricing documentation, offered planning advice to optimize state and local transfer pricing, and negotiated with state and local tax authorities to resolve transfer pricing disputes.



**Our professionals ...** have the broad-based transfer pricing experience needed to address all transfer pricing issues faced by multinational corporations and professional service providers.

# CLIENTS AND STRATEGIC PARTNERS

We are prepared to work with clients in need of any level of transfer pricing assistance, from tax directors of large multinational corporations with a dedicated internal team of transfer pricing specialists to controllers of small multinational corporations in charge of financial planning.

Our economists have deep industry experience across a wide array of sectors including: computer parts and peripheral equipment, semiconductors, software, Internet services, networking equipment, telecommunications, contract manufacturing, consumer goods, retail and trade, financial services, media and entertainment, chemicals, agriculture and pharmaceuticals.

Additionally, we routinely work hand in hand with other professional service providers to offer their clients the highest level of transfer pricing assistance possible.

## Our solutions are tailored to:

- CPAs and accounting firms
- Specialty tax professionals
- Business consultants
- Investment advisory firms
- Legal professionals and law firms

If you are a tax professional preparing the tax return for a multinational corporation or facing an audit of your client by the IRS, we can assist you.

If you are a legal professional assisting multinational corporations with organizational structuring, we can work as your strategic partner. Regardless of your specialty, we are happy to work with you to meet the needs of you and your client.



Altus... offers a flexible approach aimed at directly assisting multinational clients or professional service providers in need of transfer pricing expertise.

## CONTACT US:

If you are in need of world-class transfer pricing expertise, please contact our CEO, Ross Newman, at (408) 293-4421. Or you can email us at [info@altusecon.com](mailto:info@altusecon.com).

## HEADQUARTERS:

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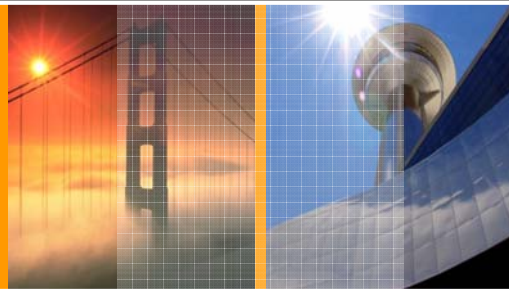
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