



Connect. Engage. Impact.



Annual Conference Scottsdale, AZ

**Modeling Transfer Pricing Risk
in these Uncertain Times**

25 October 2022



Moderator



Cliff Mangano/TEI
Vice-Chair IRSAA
Committee



Michael Patton
Patton/Senior
Counsel/DLA Piper



Samit
Shah/Principal/
Grant Thornton



Sowmya
Varadharajan/
Principal/Crowe

Agenda

- Why Now?
- What does Modeling TP risk mean?
- Fact Gathering – pre and post Documentation
- Documentation and Comparables Risk
- ASC 740/FIN 48 Challenges
- Looking Forward – 2023 and beyond

Why Now?

- TP Risk greater than ever before
- How to view TP risks
 - COVID/Economic Downturn/Inflation
- ETR calculation risks
- What if calculations are wrong?

What does
Modeling
TP Risk
mean?

- How do you define TP risks
- Impact of recent court and OECD developments
- Role of data mining
- Penalty and Adjustment risks

Fact Gathering –
pre and post
Documentation

- Importance of telling the Company's story
- Deficiencies targeted by tax authorities
- Identifying existing deficiencies before your auditors and tax authorities review

Documentation
and
Comparables
Risk

- Is your TP Documentation sufficient?
- IRS/Foreign Tax Authority perspective on Best Method Analysis
- Role of Transactional/Profit-based Comparables
- Pandemic impacts on your Comparables
- What can you adjust for comparable risks

ASC 740/
FIN 48
Challenges

- Your Auditor's Perspective
- The Tax Authority's Perspective
- To Reserve or Not Reserve?

Looking
Forward –
2022, 2023
and beyond

- What to do before year-end to lower risks
- Proactive price setting for 2023
- TP Planning
- APA and other arrangements



Questions?

