



THE POWER OF BEING UNDERSTOOD

PROACTIVELY PLAN AND MITIGATE COSTS WITH AN ADVANCE PRICING AGREEMENT

Does your organization have significant cross-border transactions?

Are you looking for an expedient process to manage your transfer pricing position with one or more taxing jurisdictions?

Do you have concerns about global liquidity?

Advance pricing agreements (APAs) allow you to preemptively agree with multiple tax authorities on arm's length prices for related-party transactions. Through this proactive approach, you can gain greater certainty regarding your tax exposure and mitigate costs associated with the preparation of documentation, audit defense, penalties or double taxation. If executed properly, an APA can be a highly effective transfer pricing tool, particularly given the uncertain economic climate and increased scrutiny from tax authorities in many jurisdictions.

RSM's transfer pricing team can help you develop an economically sound transfer pricing position, and successfully guide you through the APA process.

Considerations for pursuing an APA

- **Timeliness:** The IRS timeline for completing an agreement varies with the type complexity of the APA application, but has been decreasing substantially in recent years, particularly with the formation of the Advanced Pricing and Mutual Agreement (APMA) Program.
- **Long-term cost:** The costs associated with an APA can be comparable to or less than the costs associated with developing, maintaining and defending a documentation study, only paid upfront.
- **Cash flow:** Because the costs associated with an APA are paid upfront, large reserves to mitigate transfer pricing exposure become unnecessary.

- **Reach:** Over 50 countries currently permit some form of APAs, and the list continues to grow.

RSM process

Trust RSM's transfer pricing professionals to understand your specific needs and work with you every step of the way in establishing an APA. Our process includes:

- 1. Documentation:** Our transfer pricing professionals will work with you to develop robust documentation based on your company's transactions.
- 2. Submission:** We will submit your company's documentation to the IRS, requesting an APA.
- 3. Defense:** Our team will meet with APA officials in Washington, D.C. to defend the agreement. Additionally, we will be ready and available to answer any relevant questions that surface during the process.
- 4. Negotiation:** We will negotiate with the IRS to achieve the best APA position for your company.

Our team consists of accountants and economists experienced in establishing APAs for clients with a wide variety of needs.

Global coverage, one point of contact

As your needs expand beyond the United States, we work in conjunction with our colleagues around the world and our International Services Office, dedicated solely to managing and coordinating international client engagements. Together, we strive to understand your business objectives and provide meaningful advice and seamless services practically everywhere.

About RSM International

RSM International is the seventh largest network of independent audit, tax, and consulting firms worldwide, with more than 700 offices in over 100 countries, and more than 37,000 people on hand to serve your needs. RSM International firms cover key markets in Mexico, Canada, Europe, Asia and the Pacific, Latin America and Africa. Its offices and services are organized and scaled to serve the foreign business needs of mid-sized U.S. companies, with a high level of partner attention and value pricing.

That's the power of RSM. *The power of being understood.*[®]

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