Grant Thornton

An instinct for growth™

Transfer Pricing News

Welcome to the fourth edition of Transfer Pricing News.

This issue contains transfer pricing updates from a number of countries across the globe – a necessity in the global economy we all now inhabit. If you want to know about the new developments in transfer pricing around the world then this is the place to look.

To find out more about the topics featured in Transfer Pricing News do not hesitate to get in touch with the Grant Thornton transfer pricing team. Their contact details are included on the last page of this newsletter.

Go to page...

Algeria

Allowing for the right transfer pricing documentation in Algeria

The transfer pricing concept was introduced in Algeria by the 2007 and 2008 finance bills. It is useful to note that the Algerian tax code extends the application of transfer pricing rules beyond cross border transactions to include the transactions between entities operating in Algeria.

The 2 April 2012 decree, promulgated in January 2013, describes the supporting transfer pricing documentation that companies must provide to the tax authority. However, this regulation does not specify the guidelines that a company must follow in the pricing of transactions between affiliates and does not refer explicitly to the Organisation for Economic Co-operation and Development (OECD) principles.

The documentation, justifying the transfer pricing applied by the affiliates includes:

Basic documentation related to general information about the group:

- general description of the activity including any changes made during the year
- organisational structure and the nature of relationships that bind the company to other affiliates
- functions performed, risks assumed and assets employed by each related company
- general description of the group's transfer pricing policy.

Specific documentation related to the company must include:

- description of the company, its business and the nature of the transactions it carries out, including any changes made during the year
- description of transactions with other related companies including the nature of the flows and the amounts
- copies of the annual report of the legal auditor and the financial statements
- list of the main intangible assets held by the company
- copies of all contracts between the company and its affiliates
- financial information, general and administrative expenses, costs of research and development
- presentation of the method for determining transfer pricing and justification of this method with regard to the arm's length principle and allowing comparability analysis (market analysis, functional analysis, economic conditions and covenants).

In addition to this documentation, companies are free to provide any other files that aim to clarify their situations towards the tax administration. If these files are not provided or are not completed by 30 April each year, the tax administration delivers a formal notice to the company with a deadline of 30 days to complete or provide the appropriate documents. A fine of 25% of the indirectly transferred benefits would be imposed on the company if the arm's length standard has not been applied.

If you would like to discuss any issues raised in this article please contact:

Salah Abci
Grant Thornton Algeria
E salah.abci@gt.dz

Australia

Australia's new transfer pricing regulations

Australia has new transfer pricing legislation that will have an effect for all tax years commencing on or after 29 June 2013, and will apply to all cross border transactions of multinational entities operating in Australia.

Key changes to the transfer pricing rules include:

- introduction of a self-assessment regime, whereby public officers are to sign-off on the appropriateness of their transfer pricing. In certain circumstances public officers may be liable to penalties for incorrect transfer pricing disclosures on a company's income tax return
- the application of significant penalties to transfer pricing adjustments where the company is unable to establish a reasonably arguable position (RAP) through contemporaneous transfer pricing documentation not being maintained
- introduction of specific rules which allow the Australian Tax Office (ATO) to reconstruct transactions and arrangements, ie, power to disregard the actual transactions, and substitute arm's length transactions in some cases
- provisions that require taxpayers to assess the overall commerciality of their arrangements, as well as, the consideration of individual transactions
- a seven year time limit for the commissioner to make transfer pricing adjustments
- certain provisions dealing with the interaction between transfer pricing and thin capitalisation (thin cap) rules.

The new transfer pricing rules have been introduced to align the Australian transfer pricing regime with more international practice by bringing the rules in line with the OECD guidelines.

What does this mean for taxpayers?

Taxpayers not only need to demonstrate that related party dealings are at arm's length, but also that the structure of their related party dealings is consistent with the arm's length principle. In order to do this, companies need to establish transfer pricing documentation at the time of lodging a tax return to be able to establish a RAP. Preparing contemporaneous transfer pricing documentation allows companies, in the event of a transfer pricing adjustment, to access reduced penalties. Importantly, the burden of proof remains with the taxpayer – companies need to be able to demonstrate that transfer pricing documentation was prepared contemporaneously.

There are greater expectations that the public officer proactively monitors their compliance with the transfer pricing rules. Companies should review all of their cross border arrangements to ensure that they comply with the latest transfer pricing rules. In particular transfer pricing documentation reports should be reviewed so that they comply with the Australian transfer pricing rules. This is particularly true for OECD based transfer pricing documentation or documentation that is prepared centrally by overseas parents.

ATO announces areas of focus for 2013-14

Hot on the heels of the new financial year, the ATO has released 'Compliance in Focus 2013-14'. This outlines the areas that the ATO intends to focus their compliance activities on over the next 12 months.

Not surprisingly, profit shifting and e-commerce continue to be areas of concern for the ATO. The ATO's activities will be supported by additional funding provided for extra resources to support compliance in business restructuring practices, including marketing hubs that facilitate profit-shifting. Other areas of focus this year will be on taxpayers involved in tax crime and the misuse of trusts.

The ATO's increased transparency into the transfer pricing arrangements of multinational companies will enable it to effectively target profit shifting and the resultant erosion of the Australian tax base. Such measures, in conjunction with the proposed changes to the thin cap rules, are a warning to entities that engage in high risk international dealings.

Taxpayers that are contemplating restructuring their international business operations are advised to be wary of the impact that these measures will have on any perceived benefits of restructuring going forward.

Market support payments may cause transfer pricing issues

The ATO has recently issued a draft taxation determination (TD 2013/D3) which considers the treatment of support payments made by an Australian parent entity to an overseas subsidiary. This type of payment is typically made to limited risk companies where the company has either made a loss or is not sufficiently profitable.

Traditionally this type of payment is treated as an expense in the profit and loss accounts of the parent company. However, in the draft taxation determination, the ATO has argued that these types of payments are capital in nature and should be included in the cost base of the parent's investment in the subsidiary. As such, the Australian parent entity would not be able to deduct the payments. The ATO has provided a number of examples to explain the issue.

The draft tax determination is stated to apply retrospectively and prospectively; however, it will not apply to matters previously agreed between a taxpayer and the ATO.

The draft determination has caused considerable anxiety. In the opposite situation, where an Australian subsidiary is incurring losses or a level of profitability below the ATO's expectations, it is common for the ATO to argue that the Australian subsidiary should receive support from its overseas parent. Further, the taxation determination appears to contradict the previously stated position of the ATO.

The position taken by the ATO could have a substantial impact on a number of Australian taxpayers with international operations, as it is a common practice amongst many multinational enterprises to provide support payments to its subsidiaries to ensure that they achieve an arm's length return. Further, clarifications are being sought from the ATO about the circumstances that the taxation determination will apply.

> **The new transfer pricing rules have been introduced to align the Australian transfer pricing regime with more international practice by bringing the rules in line with the OECD guidelines.**

In the meantime, care will need to be taken. Australian companies are advised to review all of their market support arrangements to ensure that they comply with the arm's length principle.

If you would like to discuss any issues raised in this article please contact:

Jason Casas
Grant Thornton Australia
E jason.casas@au.gt.com

Colombia

Colombian fiscal authority sign and publish changes to transfer pricing regulations

The latest tax reform was signed and published on 26 December 2012, changing among other topics, the transfer pricing regulations. The changes made by the Colombian fiscal authority have the following intentions:

1. To implement better control over some transactions that taxpayers have carried out during the last years through a Permanent Establishment (PE), tax haven and companies in free trade zones.
2. To unify and modify some criteria about the definition of 'related parties' (until this date it referred to the 'commerce code' and other articles of the tax code).
3. To change the penalties making them more reasonable.

Permanent establishments

The concept of the PE has been added to the tax code and is based in the 5th article of the 'Model Tax Convention on Income and on Capital (2010)', published by the OECD. The idea to adopt this definition allows the fiscal authority to implement a legal basis to the taxation of some entities who develop activities in a permanent way without the necessity of being a branch. The number of taxpayers should increase, however, adding this definition allows Colombia to keep pace with the agreements and avoids double taxation.

Tax havens

After a long wait an official list of tax havens has been published. The list keeps out some countries that used to be considered as tax havens, such as The Republic of Panama, Bermuda and Barbados among others countries. This is due to the formalities the government is undertaking in order to enter into treaties or agreements to effectively exchange tax information between jurisdictions. Regarding transfer pricing, the changes made include that, any transaction between taxpayers from Colombia with people, societies, entities or companies located, resident or domiciled in tax havens should always be submitted under the transfer pricing regime and in so doing follow the agreed regulations with no other considerations.

Penalties

One of the principal changes made by the tax authority was to substantially reduce the penalties imposed on taxpayers and the way the penalties were calculated, according to the amount of sanctioned operations. The new law established maximum limits for penalties and sanctioned the corrections, late submission, inconsistencies and omissions in the reported information. If the taxpayer does not report its transactions with companies or entities in tax havens, the penalty will be more severe than in regular cases.

Other topics

1. A taxpayer located in a national custom territory that concludes transactions with related parties located in free trade zones, must keep in mind the arm's length principle in those transactions and fulfil transfer pricing obligations.
2. When companies sell shares between related parties, it will be necessary to make a financial valuation applying methods like: cash flow discounted and net present value, among others.
3. In transactions like acquisitions of used fixed assets, it is necessary to have the cost of the (new) asset at the time of the purchase by the third party and review any depreciation following its acquisition.
4. Intragroup services and cost sharing agreements are regulated and required to fulfill the arm's length principle and the real rendering of the services.
5. The transfer pricing report, is required to include the statutory certification of the financial statement.
6. Intangible contributions made by Colombian companies to foreign entities abroad, must be reported in the transfer pricing return, no matter what the amount is.
7. The non-monetary and industrial contributions to capital that individuals, legal persons and national companies make to foreign entities and companies, corresponds to the disposal for tax purposes. This will be subject to income tax according to general rules about disposal of assets. These contributions must be subject to transfer pricing rules.

If you would like to discuss any issues raised in this article please contact:

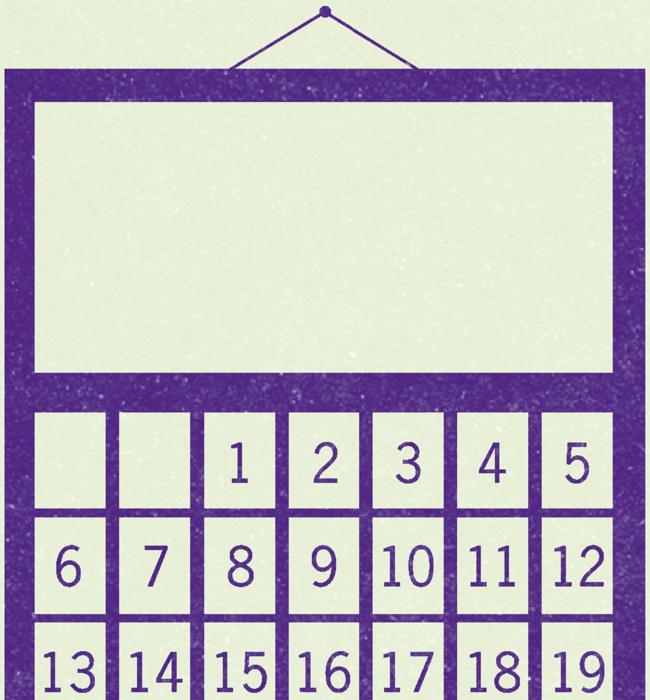
Nestor Duarte Velasco
Grant Thornton Colombia
E nestor.duarte@co.gt.com

Hungary

Changes in Hungarian transfer pricing documentation rules

The major changes to the Finance Minister's decree on the regulation of reporting obligations related to transfer pricing documentation are as follows:

1. Rules for exemption from documentation obligations – in the case of transactions of less than 50 million HUF, cumulative value will not be taken into account, but it is sufficient for an exemption if the current year's value does not exceed 50 million HUF. It is important to note, however, that the 50 million HUF threshold means the arm's length price of the transaction and the aggregate value of performances (supplies) of all contracts that can be combined, will be taken into account.
2. For low added value intra-group services, the profit margin falling within the range of 3% to 10% shall be regarded as the arm's length price profit margin, rather than the 3% to 7% applied so far.
3. Extended circle of usable databases with the data of comparable enterprises. However, the final (effective) version of the decree does not include a detailed regulation on the database search steps.
4. Taxpayers may opt into the new 2013 documentation rules now, although the amending act was only promulgated on 18 June 2013 and takes effect from 21 June 2013. It will not however, be applicable to the documentation prepared for 2012 by taxpayers whose business year corresponds to the calendar year.



If you would like to discuss any issues raised in this article please contact:
Ilona Szarka
Grant Thornton Hungary
E ilona.szarka@hu.gt.com

Italy

Focussing on Advance Pricing Agreements (APAs) – The revenue office release their second report on international rulings

In March 2013, the Italian revenue office released the second report on international rulings in Italy. As rulings mostly deal with transfer pricing, they can be regarded as the equivalent of APAs. These were introduced in Italy in 2003 and their requirements and procedure were set out in a specific regulation in 2004. Formally speaking, this regulation envisages only unilateral rulings. However, from the last months of 2010, the Italian rulings office has also engaged in bilateral – even multilateral – agreements with foreign jurisdictions, based on the rulings procedure and the relevant double tax treaty provisions in article 25 of the OECD model.

Since their introduction, APAs have become very popular. Statistics clearly show that the Italian APA programme is well established, with the number of applications recording a huge increase since 2011, mainly as a result of the new transfer pricing documentation rules and increased focus on transfer pricing in tax audits.

Between 2004 and 2012, 135 applications for an APA were submitted and by the end of December 2012, there were 54 requests still pending while 56 APAs had already been concluded. Most of the bilateral and multilateral ruling applications (equal to 25% of the overall applications filed in 2011 and 2012 as bilateral and multilateral agreements have been admitted only since 2010) are with European Union jurisdictions. Yet there are also two applications with Japan, four with the United States (US) and three with Switzerland. Upon expiry, all the agreements have been either renewed or a revised application has been submitted to match different circumstances.

68% of applicants are large taxpayers with a turnover exceeding €100million while only 15% have a turnover below €25million. Applicants are generally engaged in a wide variety of business sectors as either manufacturers, distributors or service providers.

Supreme court judgment on royalties

In February 2013, the Italian supreme court granted a judgment representing an interesting precedent on royalties in Italian case-law. The court rejected the appeal of an Italian distributor concerning royalties they paid to their US parent company for the licensing of some software, thus basically confirming the claims made by tax inspectors during a tax audit for FY 1999 corporate income tax.

Based on an intercompany software license agreement, the US holding had charged the Italian subsidiary with a 30% royalty rate on revenues. However, tax inspectors claimed that this rate was not at arm's length and they only recognised a 7% royalty rate as provided by the 'Ministry of Economy and Finance guidelines' in a circular letter dated 22 September 1980.

The supreme court explained that the circular letter laid down some arm's length measurement and evaluation criteria that companies would have certainly applied in an uncontrolled transaction between unrelated parties. Particularly, the circular letter specifies that for a transfer of technology from the owner to a user, for a better computation of the arm's length remuneration, tax inspectors should establish whether it is a transfer of ownership or a transfer of the right of use. In the event of a transfer of the right of use (as is the case), royalties depend on the specific application of the intangible. To this end, the Ministry of Economy and Finance provided the following instructions:

- royalty rates applicable in the iron and steel industry may range from 1% to 5% on the annual revenues generated by the use of a patent
- royalty rates in technology-intensive industries (eg electronic, chemistry) may rise up to 7%.

The circular letter also specifies that these are mere starting points for the determination of the most appropriate royalty rate, which must always take into account the specific circumstances of the transaction at issue. However, due to the fact that the letter is quite dated, in the case of industries characterised by a higher royalty rate (eg due to the peculiarities of intangibles), the taxpayer is, in practice, forced to proactively demonstrate and support the correctness of the adopted transfer pricing policy. In such a scenario, APA or Mutual Agreement Procedure (MAP) procedures should be carefully evaluated to prevent or remedy possible charges from the Italian tax authorities.

Supreme court judgment on intercompany costs

In February 2013, the supreme court granted a judgment concerning the deductibility of intercompany costs. Multinational groups were rarely allowed to deduct intercompany costs where merely formal and hasty analyses of the documentation were provided by the audited taxpayer. This judgment confirms that having the appropriate documentation is key to success as in this case it allowed for the reversal of the burden of proof to pass from the taxpayer to the tax authorities.

According to Italian transfer pricing rules, intercompany transactions definitely fall within the scope of the OECD transfer pricing guidelines, whereby intercompany costs of services can be deducted, provided that:

- intercompany services are actually provided
- the benefit arising out of such provided services can be attributed to the single entity and not to the entire group
- the transaction as a whole takes place at arm's length.

Since their introduction, APAs have become very popular. Statistics clearly show that the Italian APA programme is by now well established, with the number of applications recording a huge increase since 2011.

In order to be regarded as deductible, the costs for intercompany services must meet the general requirements for deductibility, ie inherence, certainty and compliance with the arm's length standard. Otherwise, from a merely fiscal point of view, services will not be considered as being supplied and the relevant costs will be either totally or partially non-deductible.

In the case brought before the supreme court, the tax authorities had contested the deductibility of intercompany costs for failure to provide any appropriate documentary evidence of the existence and inherence of the intercompany costs incurred and deducted. On the contrary, the supreme court recognised the absence of in-house qualified staff to perform the services as proof of the inherence of the costs for receiving the services. Furthermore, the court argues that the distinctive nature of the services, the execution of a prior intercompany services agreement and the billing of the services supplied are all further evidence. As inherence, certainty and the arm's length nature of intercompany costs were respected, the supreme court allowed for the deductibility of such costs.

Cooperative compliance programme for large business taxpayers in Italy

The Italian revenue office is launching the 'Cooperative Compliance Programme for Large Business Taxpayers'. The project is similar to the frameworks adopted by other foreign tax administrations and is consistent with the recent OECD recommendations.

This programme will allow large companies to establish a relationship with the tax authorities to enable them to adopt approaches before the event rather than the traditional post event, with related benefits in terms of taxpayers' compliance and providing certainty and predictability in advance.

Scope of the project

The project aims to identify a new form of relationship between large business taxpayers and the Italian tax authorities, to make the current risk management monitoring activity evolve into a more advanced programme, compliant with the recent OECD recommendations. The new regime implies the taxpayers' commitment to adopt and implement compliant behaviours based on transparency and disclosure in dealing with the tax authorities. In exchange for greater transparency, the revenue office should be prepared to meet the taxpayers' needs and to resolve relevant issues in a timely and effective manner.

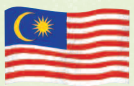
Description of the project

The large business taxpayers admitted to the pilot project will engage with the Italian revenue office at ad-hoc technical round tables to examine together several issues, eg features of their internal tax control framework, features of the new approach, obligations or incentives for the taxpayers, responsibilities for the revenue office.

In general, once this testing phase is concluded, it is expected that the regime will be implemented through the appropriate legislative initiative. Entering thereafter into the programme should enable taxpayers to reduce requirements, to obtain several advantages and to benefit, as much as possible, from legal certainty in advance on specific transactions performed.

If you would like to discuss any issues raised in this article please contact:
Paolo Besio
Grant Thornton Bernoni & Partners
E paolo.besio@bernoni.it.gt.com

Malaysia



In Malaysia, transfer pricing is still a relatively new subject. The Malaysian Inland Revenue Board (MIRB) began to introduce a stream of new rules and guidelines, from 2009, to seriously implement a transfer pricing regime in Malaysia.

Prior to 2009, there was no specific transfer pricing legislation and the MIRB had referred to Section 140 of the Malaysian Income Tax Act 1967 (the act) for the purposes of disregarding transactions between related parties which were not conducted at arm's length. The MIRB's transfer pricing guidelines, which were issued on 2 July 2003, provided some guidance to taxpayers on transfer pricing methodologies that were acceptable by the MIRB to determine the arm's length price and administrative requirements on the types of records and documentations expected from taxpayers. However, as Section 140 of the act is a tax anti-avoidance legislation and is not specific for transfer pricing, few companies complied with the requirements.

With effect from 1 January 2009, a specific transfer pricing legislation (section 140A of the act) was introduced. This gives the Director General of Income Tax (DGIR) the power to substitute the price of a transaction if they have reason to believe that the transaction does not reflect the arm's length price. Subsequently, the Malaysian income tax rules 2012 (transfer pricing rules 2012) and income tax rules 2012 (APA rules 2012) were announced on 11 May 2012. Both rules are being applied with retrospective effect from 1 January 2009. This was followed-up with the issuance of the transfer pricing guidelines 2012 and APA guidelines 2012 by the MIRB on 24 July 2012, which explained the procedural and administrative requirements of the transfer pricing rules 2012 and APA rules 2012.

More recently, on 1 April 2013, the 'Transfer Pricing Audit Framework' was issued by the MIRB to explain the procedures and requirements of a transfer pricing audit.

The transfer pricing guidelines 2012 provide guidance to taxpayers on the application of the law on their related party transactions. The guidelines apply wholly to taxpayers who fulfil the following threshold conditions:

- a person carrying on a business, gross income exceeding RM25 million, and the total amount of related party transactions exceeding RM15 million
- a person providing financial assistance that exceeds RM50 million. The guidelines do not apply to transactions involving financial institutions.

As for taxpayers who fall outside the thresholds, they may opt to fully comply with all the transfer pricing documentation requirements in the transfer pricing guidelines 2012; or alternatively may opt to comply with the minimum requirements only.

The transfer pricing rules 2012 require taxpayers to prepare contemporaneous transfer pricing documentation when the taxpayers are developing or implementing a controlled transaction. Should there be material changes to the controlled transactions, taxpayers are required to update their existing transfer pricing documentation prior to the tax return due date for that year of assessment.

Specific contemporaneous transfer pricing documentation is also mentioned in detail in both the transfer pricing rules 2012 and transfer pricing guidelines 2012, which include, amongst others:

- taxpayer's worldwide organisational and ownership structure covering all associated persons whose transactions directly or indirectly affect the pricing of the documented transactions
- company organisation chart
- group financial report, equivalent to an annual report, for the most recent accounting period
- outline of the taxpayer's business as well as the industry and general economic overviews
- description and details of the controlled transactions
- assumption, business strategies and information regarding factors that influenced the determination of transfer prices
- comparability, functional and risk analysis
- selection of the most appropriate transfer pricing method
- application of the transfer pricing method.

Referring to the selection of the transfer pricing method, although taxpayers are given the right to choose any method, both the transfer pricing rules and guidelines 2012 recommended the use of 'traditional transactional methods' in arriving at an arm's length price. 'Transactional profit methods' are to be used only when traditional transactional methods cannot reliably be applied or exceptionally cannot be applied at all.

With regards to the penalty rates for transfer pricing adjustments, the transfer pricing audit framework states that any understatement or omission of income discovered during a transfer pricing audit, will incur a penalty under subsection 113(2) or paragraph 44B(7)(b) (deemed to have taken effect for the years of assessment 2008, 2009 and 2010) of the act in which the penalty rate equals the amount of tax undercharged (100%). However, concessionary penalty rates may be imposed for transfer pricing issues as shown in the adjacent table:

Condition	Rates of penalty (%)		
	Normal case	Voluntary disclosure after the tax payer has been informed but before commencement of audit	Voluntary disclosure before the case is selected for audit
Understatement or omission of income	45	35	15
Non-preparation of transfer pricing documentation	35	30*	15*
Transfer pricing documentation prepared but not in compliance with the transfer pricing guidelines	25	20	10
Taxpayer prepared comprehensive, good quality, contemporaneous transfer pricing documentation in accordance with existing regulation	0	0	0

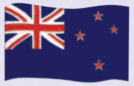
* Upon voluntary disclosure, taxpayers are still required to prepare the transfer pricing documentation

For each repeated offence, the rate of penalty shall be increased by 20% as compared to the last penalty rate imposed for the previous offence, but limited to a sum not exceeding 100% of the total amount of tax undercharged.

If you would like to discuss any issues raised in this article please contact:
Chan Tuck Keong
Grant Thornton Malaysia
E tkchan@gt.com.my

New Zealand

Keeping a watchful eye on the OECD action plan for Base Erosion Profit Shifting (BEPS)



With the recent announcement of the OECD's proposed action plan for tackling BEPS, the New Zealand Inland Revenue will be keeping a watchful eye for any developments arising from these work streams and how they may impact upon international tax rules.

New Zealand has a number of transfer pricing thresholds in place, which are continually monitored and updated where necessary, in order to minimise compliance costs for New Zealand multinational enterprises. However the New Zealand Inland Revenue continue their targeted audit activity, with a current focus on:

- **losses** – ensuring that they haven't come from non-market pricing
- **thin capitalisation** – especially in groups carrying above-average debt that may have been exposed to losses and asset write-downs.

There has also been a redirection of Inland Revenue resources to ensure that they can manage more requests for APAs.

If you would like to discuss any issues raised in this article please contact:

Elizabeth Burrows
Grant Thornton New Zealand
E elizabeth.burrows@nz.gt.com

Puerto Rico

Recent legislation brings transfer pricing to the table

Recent laws have been approved in Puerto Rico which give rise to a debate on transfer pricing and its effects on Puerto Rico affiliates of foreign corporations. The 'Internal Revenue Code for a New Puerto Rico' (the code), which was enacted in 2011, included new provisions in the area of alternative minimum tax (AMT) for corporations. Specifically, it provided for a new AMT calculation of 1% on the value of purchases from affiliates. Additional provisions have now been introduced (by Act 40) and were enacted on 30 June 2013.

The code provided various exceptions to the applicability of the 1% AMT calculation. One of the exceptions was for entities with gross revenues under $50 million. Another exception read as follows: 'When the secretary determines that the value of the personal property purchased from the related person is the same or substantially similar to the value for which such related person sells such property to a non-related person in Puerto Rico'.

The exception was included so that if an entity can demonstrate that it has sound transfer pricing policies in place and its prices are reasonable, then this tax should not be applicable. The problem with that exception was that its language was extremely restrictive. In transfer pricing the best comparable is what is known as an internal comparable uncontrolled price (CUP), which is what the exception is proposing. This is when the entity that sells products to a related party also sells the same product to a third party. But this is the perfect comparable and it is not always available.

Less restrictive language lets information be used from similar products sold by the same entity, or other entities in a similar industry and located in Puerto Rico or other comparable markets. This change was important because a transfer pricing study would depend on the information publicly available, which will not necessarily be within the strict parameters that were enacted.

The recent enactment of Act 40 expands the applicability of the mentioned AMT. Act 40 reduces the revenues threshold from $50 million to $10 million and includes transfers from home office to Puerto Rico branches as purchases from a related entity. In addition, Act 40 duplicates the applicable percentage to 2% in most cases.

The result of these latest changes is a sudden interest in the exception provided for entities that can prove they purchase at reasonable prices. The new exception has adopted one of the changes proposed by eliminating the requirement of the comparable being from Puerto Rico. In addition, Act 40 requires a transfer pricing study as part of the documents that must be submitted to the Puerto Rico treasury in order to request relief from this new tax. On the other hand, the wording presented in Act 40 for the exception does not eliminate the tax completely; it only reduces it to no less than 0.2%.

In summary, corporations in Puerto Rico that make purchases from related entities not taxed in Puerto Rico, (including branches), and that have revenues of $10 million or more, will be subject to AMT of 2% unless they submit a transfer pricing study and prove that such purchases reflect reasonable prices, in which case the tax could be reduced to 0.2%.

It is important to note that these provisions are not applicable to entities operating under a concession of tax exemption under Act 73 of 2008 or similar laws or entities subject to the excise tax imposed on foreign corporations by Act 154 of 2010.

If you would like to discuss any issues raised in this article please contact:
Maria de los Angeles Rivera
Grant Thornton Puerto Rico
E maria.rivera@pr.gt.com

South Africa

Transfer pricing developments in South Africa

In his 2010 Budget Speech, Pravin Gordhan (South African Minister of Finance) said, "Steps will be taken against several sophisticated tax avoidance arrangements and the use of transfer pricing and cross-border mismatches". This proved that South Africa, like most trading nations, has a heightened awareness of companies' perceived misuse of transfer pricing and the resultant loss to the fiscus.

Since then, South Africa has made considerable progress in developing and improving its transfer pricing regulation. One of the first steps to address transfer pricing abuse was taken when the country revised section 31 of the Income Tax Act 58 of 1962, to align South Africa's legislation with the OECD model tax convention. The revised legislation makes it compulsory to conclude all international transactions between connected persons at arm's length. The South African Revenue Service (SARS) is stepping up their efforts to mitigate the risk of loss to the fiscus and are placing more emphasis on enhancing their audit capacity.

The OECD and African Tax Administration Forum (ATAF) sign memo on transfer pricing

The OECD is not the only body regulating transfer pricing standards. In the last few years, many new organisations have been established to represent developing countries that are not part of the OECD. Multinational Enterprises (MNEs), with entities in developing countries, operate in an entirely different economic climate and face many complex challenges in respect of transfer pricing, which are not necessarily adequately considered by the OECD guidelines.

An example of such a body is the ATAF, which was formally established in 2009. The focus of ATAF is to improve and enhance tax administration and enforcement throughout. The ATAF has a working group dedicated specifically to transfer pricing, and in particular to educate African countries about the relevance and purpose of transfer pricing regulations. This working group also seeks to assist African countries in establishing practical transfer pricing rules and regulations.

In October 2012, at a Global Forum meeting in Cape Town, the ATAF and the OECD signed a memorandum of co-operation on transparency and exchange of information which signifies the efforts of these regulating bodies to align their goals and educate African countries. The memo was signed only days after a transfer pricing summit in Johannesburg, attended by tax practitioners, concerned business people from various African countries, as well as representatives from the OECD, SARS and other African tax authorities. International transfer pricing developments, as well as the transfer pricing challenges Africa is facing led the discussions and this signed memorandum demonstrates the efforts of the regulating bodies to align their goals with respect to transfer pricing development and education in Africa.

Exchange of information agreement signed by Brazil, Russia, India, China and South Africa (BRICS countries)

Only a number of weeks after the memorandum was signed, SARS formally agreed to a further exchange of information forum with its fellow BRICS countries, providing further proof of its commitment to improve the enforcement of transfer pricing regulations. The BRICS countries officially committed to sharing their transfer pricing, capacity building, general anti-avoidance, best practice examples and a coordinated group was established to discuss tax policy and administration. The expectation is that these steps will enable developing countries to reach a consensus and exchange ideas and experiences on key aspects of international taxation.

To enhance the auditing ability of the SARS officials working in the transfer pricing division, they seconded a number of employees to other BRICS countries for training. In return, it will host officials from other BRICS countries so that all members can learn from the skills and experience of the different countries.

The Indian Revenue Authorities (IRA) are widely recognised for their standards of training and success in the realm of international transfer pricing. With the assistance from bodies like ATAF, South Africa will be able to transfer the knowledge and experience gained from India and other BRICS countries to neighbouring African economies, which will contribute to developing robust transfer pricing legislation throughout the continent.

Interest deductibility on related party debt is limited

In South Africa's 2013 Budget speech, it was announced that new limits would be placed on the deductibility of interest for related party debt. It was proposed that where a company pays interest to another entity within the same group and the interest is untaxed (or taxed at a lower rate) in South Africa when received by the other entity, the interest deduction will be subject to a limitation.

The limitation will also apply if the untaxed group entity guarantees or provides other security in respect of debt owed by the company debtor. The deduction for interest paid or incurred in respect of the debt will be limited to 40% of the debtor's taxable income. To the extent that interest paid or incurred on debt between group entities exceeds the limitation, the excess can be carried forward for up to five years. The full amount of debt payable to a connected party, by a company that realises a loss within the financial year, will be regarded as excessive interest and not tax deductible. This interest limitation has been debated and further guidance in this respect is much anticipated.

SARS issues draft thin cap legislation

In March 2013, SARS took further steps to minimise financial transaction losses to the fiscus by issuing a draft interpretation note regarding the new thin cap rules, which now form part of South Africa's transfer pricing provisions.

Background

South Africa introduced thin cap rules in its tax laws in 1995. Under the rules that were effective until 2012, related party debt financing was viewed as excessive when the debt-to-equity ratio exceeded 3:1, resulting in the interest deduction being disallowed.

The new thin cap rules apply to years of assessment starting on, or after, 1 April 2012 and are part of the general transfer pricing provisions. The 3:1 debt-to-equity safe harbour was eliminated and instead the new rules introduced the arm's length standard for related party financing transactions.

Draft interpretation note

Under the new thin cap rules, taxpayers may not deduct the portion of the interest, related to a loan that is in excess of interest that would have been agreed upon between unrelated parties in an arm's length transaction.

According to the interpretation note, if the actual terms and conditions of a loan agreement differ from those that would normally have applied in an arm's length transaction and either party receives a tax benefit as a result thereof, then the taxpayer is required to calculate its taxable income based on the arm's length conditions.

The arm's length conditions should be determined through a detailed transfer pricing analysis including a functional analysis, review of comparables and other qualitative and quantitative factors.

SARS will apply a risk-based audit approach when selecting potential thin cap cases to review. The note describes the detailed financial ratio based on earnings before interest, taxes, depreciation and amortisation (EBITDA) used by SARS in selecting audit cases. If the ratio of debt-to-EBITDA is above 3:1, taxpayers are at risk of being audited. However, SARS warns taxpayers not to view the 3:1 ratio as a safe harbour, as taxpayers within the range may also be selected for audit based on subjective criteria, such as economic substance of the transaction.

SARS also provides documentation guidelines in the note and taxpayers in South Africa should retain the following documentation with respect to related party loans:

- description of funding structure
- description of the taxpayer's business
- copies of relevant agreements
- analysis of financial strategy
- group structure
- copies of relevant financial statements
- financial forecasts that are contemporaneous with the financing transaction
- transfer pricing study supporting the arm's length nature of the transaction from the borrower's perspective.

An important difference between the old and new rules is that, for financial years starting from 1 April 2012, SARS will now look more widely at inbound intra-group funding arrangements to evaluate whether there is a genuine business need, reason or commercial benefit for the additional finance. In other words, even if the taxpayer is able to demonstrate that it could have secured the funding from an unrelated lender, it may not be sufficient, as the taxpayer is also required to demonstrate a business need for the borrowings.

In October 2012, the ATAF and the OECD signed a memorandum of co-operation on transparency and exchange of information which signifies the efforts of these regulating bodies to align their goals and educate African countries.

Withholding tax on service fees to be introduced

As a further means to protect SA's tax base, the '2013 Taxation Laws Amendment Bill' proposed a withholding tax on service fees, payable to foreign persons in respect of technical, managerial or consultancy services, if the fees are received or accrued from a source within South Africa.

The withholding tax will be a final tax and levied at the rate of 15% of the gross amount. In addition to withholding tax on service fees, the 15% withholding tax will also apply to interest and cross-border royalty payments. These proposed withholding taxes will apply to service fees, interest or royalties that are paid or payable on or after 1 January 2015. The rate may however be reduced through the application of the provisions of a double tax treaty, if relevant.

SARS issues a new corporate income tax return

On 4 May 2013, SARS introduced an enhanced income tax return for companies (ITR14) as part of the modernisation of Corporate Income Tax (CIT), aimed at improving efficiency and compliance. The new ITR14 provides SARS with useful information in respect of companies' activities relating to transfer pricing which will allow them to select cases for audit more easily and efficiently.

Taxpayers are required to disclose the value of cross-border international related party and third party transactions, as well as the value of domestic related party transactions. It appears that SARS is taking a transactional approach to managing all related party transactions because there are separate fields for the most common related party transactions eg sale of goods, interest, royalties/license fees, admin fees etc.

Multinationals responding to increased transfer pricing scrutiny

Recent news items regarding MNEs tax transgressions have highlighted how social media can affect a brand that is seen to avoid paying its fair share of tax. The question at the heart of the debate is whether the actions of these MNE's result in BEPS.

The OECD's tax policy and administration explains that BEPS 'refers to tax planning strategies that exploit loopholes in tax rules to make profits disappear for tax purposes or to shift profits to locations where there is little or no real activity but where they are lightly taxed, resulting in little or no overall corporate tax being paid'. The OECD stresses that, while BEPS is legal in most cases, it is relevant because it distorts competition, may lead to an inefficient distribution of resources and raises questions about fairness. The OECD's report in February 2013 on BEPS appears to move more towards a 'moral obligation' to pay tax as opposed to a legal one.

Due to the increased pressure on companies to consider their moral tax obligations, there has been a significant rise in the efforts of many MNEs to curb their aggressive tax planning efforts and document their transfer pricing policies formally, to ensure that they mitigate the risk of an investigation. Considering the global pressures, MNEs operating in South Africa are placing more focus on transfer pricing risk and seeking advice and assistance in this regard.

There has been a notable increase in transfer pricing audits by SARS in the past year. Despite this, the majority of assessments raised by SARS were resolved through the settlement procedure and no cases have progressed to the courts. Globally, approximately 24% of parent companies were penalised after a revised assessment was raised by SARS based on the findings of an audit. Thus far, SARS' focus seems to be mostly on intercompany services. It is important that South African taxpayers consider whether services they provide or receive from foreign related parties have a real commercial benefit from the perspective of the recipient, as well as the provider, to avoid transfer pricing adjustments.

SARS is yet to issue an updated practice note or formal guidance in respect of transfer pricing and the changes implemented in 2010, but it is expected that this will be released in the near future and will be aligned to the OECD principles. It will be interesting to see the approach SARS takes in respect of documentation requirements, as documentation is currently not compulsory in South Africa. There has been some speculation that SARS will apply a system whereby only larger taxpayers will be required to draft and submit comprehensive transfer pricing policy documents. Nonetheless, as it stands now, should SARS request such a document, all taxpayers must produce some evidence of arm's length pricing. It is therefore strongly advised that all MNEs operating in South Africa have knowledge of SARS' interest in, and focus on, related party transactions and take steps to mitigate the risk of a transfer pricing audit.

If you would like to discuss any issues raised in this article please contact:

AJ Jansen van Nieuwenhuizen
Grant Thornton South Africa
E aj@za.gt.com

South Korea

Newly introduced standard for transfer pricing in Korea

The Korean government has recently introduced a new standard to calculate the arm's length guarantee fee for a loan transaction into the Law for Coordination of International Tax Affairs (LCITA) of Korea.

According to the LCITA, for the transaction of a loan guarantee between a resident and its foreign related party, the arm's length guarantee fee shall be calculated using one of the following methods:

- arm's length price is calculated based on the expected risk/cost for the guarantor
- arm's length price is calculated based on expected benefit for the principal debtor
- arm's length price is calculated based on the expected risk/cost for the guarantor and expected benefit for the principal debtor.

It also states that where a resident applies the guarantee fee (calculated as follows), it will be deemed as the arm's length price. Guarantee fee calculated based on the difference in interest rate between an unguaranteed and guaranteed debt, computed by the concerned lending financial institution at the time of concluding the loan guarantee agreement.

If you would like to discuss any issues raised in this article please contact:
Dong-Bum Kim
Grant Thornton South Korea
E dongb.kim@dmgt.co.kr

Spain

Spanish tax authorities against BEPS

BEPS and the action plan of the OECD is a trending topic nowadays in the field of international taxation.

In the field of transfer pricing, multinational groups made the first move and used transfer pricing as a planning tool to restructure their activities. The formula is pretty well known: high risks and high value assets were centralised in a 'Principal company' established in a favourable tax jurisdiction and the manufacturers and distributors established in high tax jurisdictions become contract manufacturers or low risk distributors with lower returns.

On 19 July 2013, the OECD released an action plan to address BEPS. The OECD Secretary-General Angel Gurría, said "This action plan, which we will roll out over the coming two years, marks a turning point in the history of international tax cooperation. It will allow countries to draw up the coordinated, comprehensive and transparent standards they need to prevent BEPS".

However, recent history shows that, when money is involved, international coordination and cooperation is a utopia. Meanwhile, and until the implementation comes true, local tax authorities will have to deal with 'aggressive' tax planning made by corporations at home. On the other hand, MNEs will have to deal with 'aggressive' tax authorities that use every OECD development to try to challenge real structures.

Tax authorities can consider different approaches to challenge business restructuring:

- they can simply try to ignore the business restructuring
- they can explore the 'options realistically available' and the transfer of 'something of value' to get an 'exit tax'
- they can argue that a taxable presence of the transferee is created further to the conversion via a PE.

This article looks to clarify the Spanish judicial trend related to the formal relocation of added-value functions within a multinational group, based on three recent tax cases that involve business restructuring aspects in Spain: Roche Vitamins, Dell and Honda.

Common characteristics

The common characteristics of the three cases can be summarised as follows:

1. The multinational groups performed a business restructuring. The Spanish entities stripped their activities from being a full risk distributor to commission agent or service provider.
2. According to the Spanish tax authorities, there are no substantial changes in the number of staff employed by the Spanish taxpayers. Furthermore, the functions performed, before and after the business restructurings also remained substantially the same.
3. The principal or new distributor does not have material means to carry out its distribution activity in Spain.
4. Even though the Spanish entities had no authority to conclude contracts, the principals hardly ever rejected or changed the orders and conditions taken by the Spanish entities. This indicated that the decisions are taken locally in Spain and are not supervised abroad.
5. The principals and the Spanish entities, in general, used a common bank account and had the same management people.
6. The Spanish tax authorities reject the new characterisation of the Spanish entities and reconvert them into a full risk distributor again, using a wide interpretation of the tax treaty's dependent agency clause.
7. The Spanish tax authorities attribute all the profits obtained in Spain to the PE, taking into account the sales in Spain and an allocation of the expenses of the principals that are related with the Spanish sales.

Conclusions

The most controversial aspect of the rulings is arguably the wide interpretation of the tax treaty's dependent agency clause, which did not observe its literal meaning (that the requirement that the agent has, and usually exercises, authority to conclude contracts that are binding for the principal), or its interpretation under the commentaries to the OECD model tax treaty.

The rulings in Spain go against the 'French Zimmer' and 'Norwegian Dell' cases with the interpretation of article 5.4 of the dependent agency clause of the tax treaty, because it did not focus on the literal meaning of the clause (that the agent has the authority to conclude binding contracts for the parent).

It is true that every entity in Spain performing a commissions agent service for one single client could be under the wide interpretation of the Spanish tax authorities of a dependable agent. However, in recent cases a prior business restructuring occurred, so we consider that the structure itself is not being attacked, but the combination of the value chain transformation using the agent service structure without a real change in the value added functions, according to the Spanish tax authorities.

So the PE concept is used, as a tool, by the Spanish tax authorities to verify substance in principal and centralised models and to strike back the conversion of the Spanish entities to low risk companies.

Controversially on the other hand, in tax audits, the Spanish tax authorities seem to forget the 'risks', one important aspect in the attribution of profits to PEs.

The risks taken by the principals abroad have no consideration as the Spanish tax authorities allocate all the profits that came from Spain to the PE.

For example, in an employee-employer relationship, the employee always receives a salary, even though the company is not profitable. The employee does not take any risks and that is why the earnings are also capped. The shareholders are putting their funds at risk and that is why they may receive any dividends. In this simple example, the shareholders are the entrepreneurs/principals. Thus, the court is likely to affirm here, taken into account recent cases, that 'in a company all the dividends should be allocated to the directors, manager and employees as they are performing the value added function (like the PE) and the shareholders (the principal located outside Spain) should not receive anything as they do not perform any function'.

What would the Spanish authorities approach have been if the multinational groups kept the distributor characterisation and targeting the return on sale in a low risk profile, instead of converting to a commission agent or service providers? The PE issue would probably not arise and the discussion would focus on the risks (something missed in the recent cases), the transfer of 'something of value' and benchmarking.

What is clear is that, in the presence of a business restructuring it is not enough to change the agreements and in consequence, the risks. The added value functions also need to be shifted with the staff involved in those functions. The principals should demonstrate the material means that they have to perform the new distribution activity, at least their capacity to outsource some of the functions, but keeping the control and supervision of the business.

In our opinion, the wide interpretation of the Spanish tax authorities might not be 100% legal, but might be fair enough to fight against abusive business restructurings.

The most controversial aspect of the rulings is arguably the wide interpretation of the tax treaty's dependent agency clause, which did not observe its literal meaning or its interpretation under the commentaries to the OECD model tax treaty.

What is funny is that enterprises play at the edge of transfer pricing rules in order to optimise their tax bill, and the Spanish tax authorities also need to play at the edge of the law in order to confront the transformations and structures made by enterprises.

However, what should be done is to change the laws and the tax treaties so that everybody plays under the same rules. Maybe the OECD's action plan and the international coordination will achieve this purpose.

The fights have just started and will have many chapters, meanwhile the Spanish tax authorities have found a way to strike back.

If you would like to discuss any issues raised in this article please contact:
Gabriel Yakimovsky
Grant Thornton Spain
E gabriel.yakimovsky@es.gt.com

United Kingdom

HMRC confirms that transfer pricing documentation is covered by the 'Senior Accounting Officer regime'

In the UK companies or groups with a turnover of over £200m and/or a balance sheet total over £2bn in the preceding accounting period must appoint a senior accounting officer (SAO). The SAO is the director or officer who has overall responsibility for the company's financial accounting arrangements. The company must tell HM Revenue & Customs (HMRC) who the SAO is, and the SAO will have personal responsibility for confirming that the company establishes and maintains appropriate tax accounting arrangements by issuing a certificate to HMRC by a prescribed deadline. Failure to do so can result in penalties for the company and the SAO personally.

For the purposes of the SAO rules, HMRC views tax accounting arrangements as the framework, responsibilities, policies, appropriate people and procedures in place for managing tax compliance risk and the systems and processes for putting this framework into practice. HMRC has also recently issued updated guidance and, whilst the guidance does not specifically mention transfer pricing as being part of a company's financial accounting arrangements, HMRC has confirmed in correspondence that it does consider that transfer pricing is included. Therefore, any decisions or calculations made in respect of transfer pricing adjustments will come within the scope of the SAO rules, regardless of whether they are embedded within the company's accounting system or not.

MAP statistics

On 2 September 2013, the OECD released its 2012 MAP statistics of its member countries and of partner economies that agreed to provide such statistics. The OECD's purpose for publishing such data is to improve the timeliness of resolving cases of double taxation through MAP under tax treaties and to enhance the transparency of the MAP process.

The statistics show that at the end of the 2012 reporting period, the total number of open MAP cases reported by OECD member countries was 4,061, which represents an increase of 5.8% compared with the 2011 reporting period. The average time for completion of MAP cases with other OECD member countries was 23.20 months in the 2012, compared with 25.39 months in the 2011 reporting period.

The UK MAP caseload has increased steadily from 2006 (the earliest year recorded in the statistics) with 69 new cases initiated in the 2012 reporting period; up from 54 new cases in the 2011 reporting period. The UK had an inventory of 143 outstanding cases at the end of the 2012 reporting period compared with 133 in 2011.

Of the 69 new UK cases initiated in 2012, the majority (64 of them) were with other OECD countries with only five being with non-OECD countries.

Overall, the statistics show that taxpayers are increasingly looking for dispute resolution through the MAP procedure and that trend looks set to continue over the medium term as transfer pricing controversies are likely to rise as more countries focus tax enquiries in this area.

If you would like to discuss any issues raised in this article please contact:

Wendy Nicholls
Grant Thornton UK
E wendy.nicholls@uk.gt.com

Lorna Smith
Grant Thornton UK
E lorna.smith@uk.gt.com

Vietnam

The General Department of Taxation (GDT) circular on draft APA regulations

The draft circular clearly shows that efforts are being taken to realise the 2015 action plan for developing the regulatory framework and procedures for transfer pricing in Vietnam. Beyond the action plan, APA procedures first passed into regulation in November 2012 in the form of a broad and brief mention in the update to the tax administration law (under law no. 21/2012/QH13). Since then, decree no. 83/2013/ND-CP was released to provide more detail on the terms of the updated tax administration law, stipulating that the maximum period for an APA will be five years, and some high level information regarding the content of the APA. The draft circular has provided more detail regarding entities able to apply for an APA, the procedures for entering into an APA, the responsible parties, information required, timelines, and amendments to APAs which are entered into.

Procedures

The draft APA circular recommends consultation between the taxpayer and the GDT to discuss the contents of the proposed APA and review the application dossier (which should include the functional and economic analysis) prior to making the application official. Following the consultation, the taxpayer has 120 days to submit their official application. Following receipt of the application, the GDT is required to assess the application within 180 days (though the APA also states that should the time required exceed the limit, the GDT is required to inform the taxpayer, essentially rendering the limit meaningless).

Upon agreement of the draft APA, the parties will sign and the GDT will be circulated (as taxpayers are generally managed by local or regional tax offices, rather than the GDT). Specific procedures are provided for the application of multi-lateral APAs.

Information

As may be expected, the APA process requires significant information disclosures, including the taxpayer and their business, their place in the value chain, details of their suppliers and customers, the tax treatment in other jurisdictions of the taxpayer's cross-border transactions, functional, economic and industry analyses and a list of the key factors which impact the price, or could later impact the applicability of the APA.

The draft circular specifically recognises that the taxpayer and the tax authority may require professional assistance from specialists with regard to the analysis or throughout the negotiations, but also that opinions rendered by such specialists will be considered for reference purposes only, and not be relied upon as legally binding or guiding.

Furthermore, the draft circular stipulates that the information submitted by taxpayers for an APA application which is unsuccessful will not be used as evidence in tax assessments or investigations. It is currently unclear whether or not this protection will be extended to information provided as part of the initial consultation prior to the official application.

Continuing protection offered by APAs

Following successful negotiation of the APA, the taxpayer will have additional reporting requirements compared with those of an entity which has not entered into an APA. Specifically, in addition to the regular annual transfer pricing disclosure, the taxpayer will need to file an APA return and supporting documentation to evidence that the terms of the APA are being complied with, justifying any changes in revenue or expense which are not coherent with the forecasts made at the time of the application, and confirming that the critical factors which impact the APA have not changed.

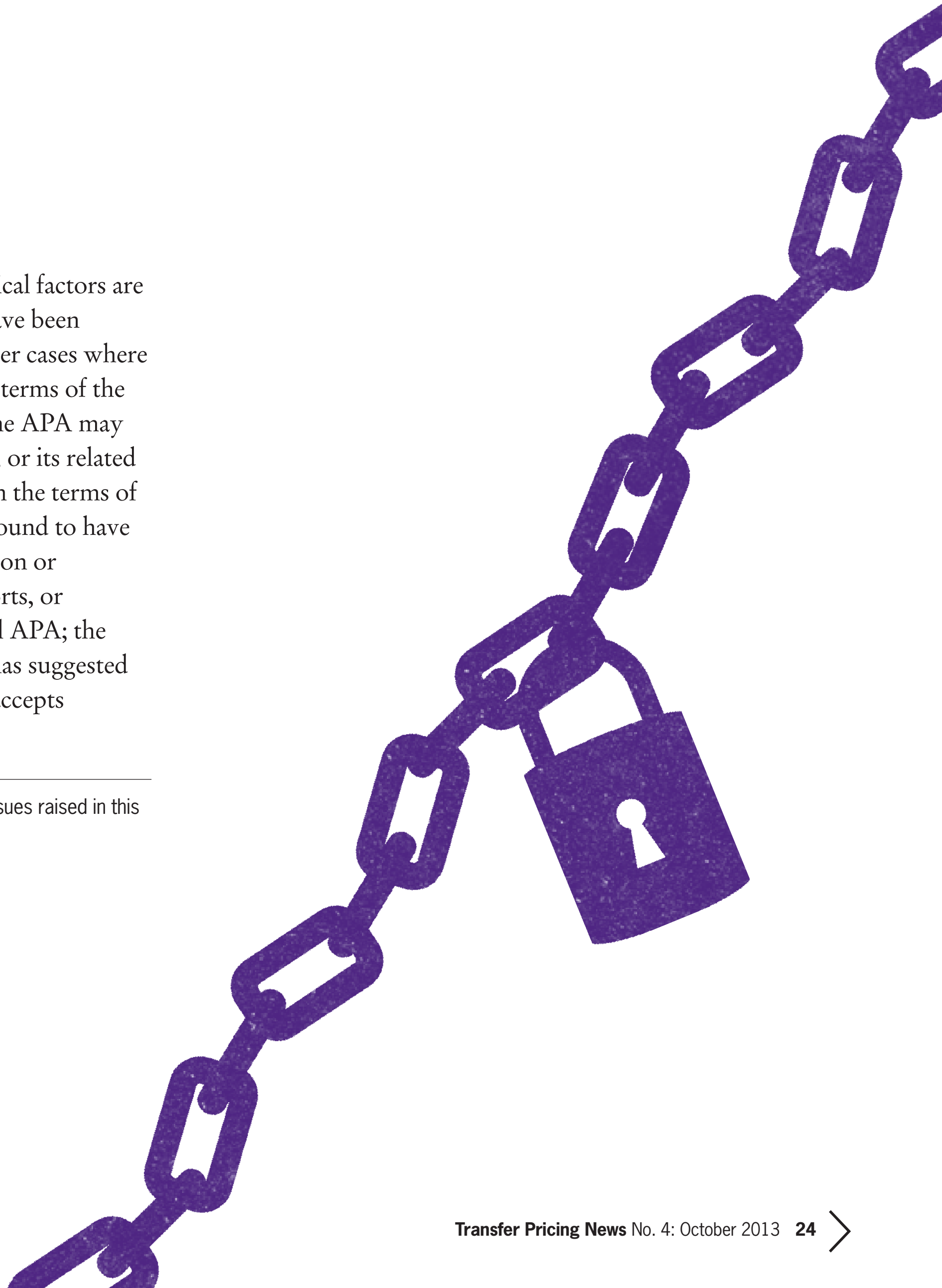
Despite having entered into more than 60 double tax avoidance agreements, several of which are with OECD members, Vietnam does not as a general rule allow for corresponding adjustments. However, the APA does specify that in cases of double taxation the taxpayer is able to enact treaty provisions with regard to MAPs – though taxpayers should recognise that such procedures are not guaranteed to conclude successfully, and may not result in the elimination of double taxation.

In cases where the critical factors are no longer correct, there have been regulatory changes, or other cases where the parties both agree, the terms of the APA may be amended. The APA may be revoked if the taxpayer, or its related parties, fail to comply with the terms of the APA, the taxpayer is found to have made an error on application or submission of annual reports, or in the case of a multilateral APA; the corresponding authority has suggested revocation and the GDT accepts this suggestion.

If you would like to discuss any issues raised in this article please contact:

Matthew Facey
Grant Thornton Vietnam
E matthew.facey@vn.gt.com

Tom Prescott
Grant Thornton Vietnam
E tom.prescott@vn.gt.com



Who's who
Contributors

Salah Abci
Grant Thornton Algeria
E salah.abci@gt.dz

Jason Casas
Grant Thornton Australia
E jason.casas@au.gt.com

Nestor Duarte Velasco
Grant Thornton Colombia
E nestor.duarte@co.gt.com

Ilona Szarka
Grant Thornton Hungary
E ilona.szarka@hu.gt.com

Paolo Besio
Grant Thornton Bernoni & Partners
E paolo.besio@bernoni.it.gt.com

Chan Tuck Keong
Grant Thornton Malaysia
E tkchan@gt.com.my

Elizabeth Burrows
Grant Thornton New Zealand
E elizabeth.burrows@nz.gt.com

Maria de los Angeles Rivera
Grant Thornton Puerto Rico
E maria.rivera@pr.gt.com

AJ Jansen van Nieuwenhuizen
Grant Thornton South Africa
E aj@za.gt.com

Dong-Bum Kim
Grant Thornton South Korea
E dongb.kim@dmgt.co.kr

Gabriel Yakimovsky
Grant Thornton Spain
E gabriel.yakimovsky@es.gt.com

Wendy Nicholls
Grant Thornton UK
E wendy.nicholls@uk.gt.com

Lorna Smith
Grant Thornton UK
E lorna.smith@uk.gt.com

Matthew Facey
Grant Thornton Vietnam
E matthew.facey@vn.gt.com

Tom Prescott
Grant Thornton Vietnam
E tom.prescott@vn.gt.com