

Private Equity & Transfer Pricing

Plan, implement,
Document and Defend

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Tax authorities worldwide are more intensely scrutinizing Private Equity structures, aiming to align legal form with economic substance to ensure that the approach to transfer pricing ("TP") applied by private equity funds and their corporate group is rooted in robust pricing methodologies.

Why is TP important for Private Equity funds?

In many jurisdictions it is a legal and regulatory requirement to ensure transactions such as intercompany debt and interest, management fees, transaction fees, monitoring fees and origination fees are arm's length in nature.

Potential buyers in a due diligence process scrutinize historical TP approach applied by assets and the wider Group to assess financial health and tax compliance. Inaccurate TP policies can affect deal pricing or even lead to deal termination.

Aligning TP with the Private Equity fund's operating model optimizes profit allocation and cash flow, and supports efficient capital deployment and strategic planning.

Our assistance for Private Equity funds in TP lifecycle

The TP lifecycle for a Private Equity business changes as the business grows both in size of Assets under Management and complexity. The TP lifecycle can be defined in the Plan, Implement, Document and Defend ("PIDD") process below:

1. Plan

- TP health check fund & corporate group
- Value chain analysis, functional and financial analysis
- Establish pricing policies

2. Implement

- Operational Transfer Pricing
- Manage and monitor compliance

4. Defend

- Tax Controversy
- Prepare defense files and assist tax audits
- TP/M&A due diligence

3. Document

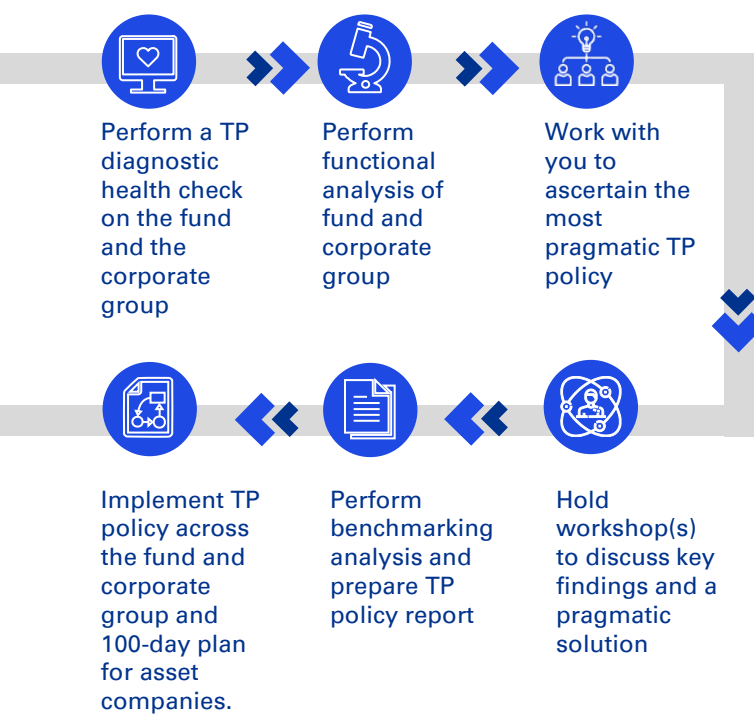
- TP Reports
- Benchmark report
- Intercompany agreements

Recent tax developments such as Amount B, Pillar 2, Trump tariffs and related supply chain management, make it particularly important for Private Equity teams to ensure that the TP approach adopted is robust and in line with international best practices.

How can KPMG help you?

Our approach to TP for Private Equity clients is flexible and customized, driven by the specific needs, culture and strategic goals of our clients.

We work with you throughout your Private Equity TP lifecycle to review, design and implement your TP framework and methodology that is future proof for all your deals as your business grows and evolves with the ever changing TP landscape.



KPMG Meijburg has a specialized and highly experienced TP team focusing on PE structures that can help you minimizing TP risk while ensuring that any potential benefits both operational and tax are realized.

Contact Meijburg



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