FUNDAMENTALS OF TRANSFER PRICING



GENTEX®
TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
Info@gentextraining.com

Introduction

Fundamentals of Transfer Pricing Training Course gives tax, finance and accounting professionals a firm grounding in how related-party transactions are priced and defended. Participants learn what the arm's length principle means, how functional analysis works, and why documentation matters to tax authorities worldwide. The programme covers the five OECD transfer pricing methods, comparable searches, profit level indicators and the three-tier documentation structure. Furthermore, it explains tax authority expectations, penalties and dispute routes in practical terms. As a result, delegates can prepare sound transfer pricing policies and support them with evidence. Gentex Training Center delivers the programme through case workshops and documentation exercises.

Fundamentals of Transfer Pricing Course Objectives

- Explain the arm's length principle and its role in related-party pricing.
- Identify related parties and the transactions that require documentation.
- Conduct functional analysis covering functions, assets and risks.
- Apply the five OECD transfer pricing methods and select the most appropriate one.
- Perform comparable searches using commercial databases such as Orbis and TP Catalyst.
- Calculate profit level indicators including net cost plus and the Berry ratio.
- Apply the interquartile range test to benchmark results.
- Prepare the master file, local file and country-by-country report.
- Recognise tax authority expectations, penalty exposure and dispute routes.
- Draft and maintain a transfer pricing policy supported by intercompany agreements.

GENTEX® TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
Info@gentextraining.com

Course Methodology

The course combines clear technical briefings with hands-on comparables workshops and documentation case exercises. Participants build comparability analyses, apply rejection matrices and draft local file sections. In addition, structured group review and case debate reinforce each method, and every day closes with a practical transfer pricing task.

Who Should Take This Course

- Tax and transfer pricing professionals starting in the field.
- Finance and accounting managers in multinational groups.
- Treasury and intercompany transaction analysts.
- Audit, compliance and internal control staff.
- Accounting firm professionals supporting tax clients.
- Legal and contracts staff handling intercompany agreements.

Fundamentals of Transfer Pricing Course Outlines

Day 1: Transfer Pricing Concepts and the Arm's Length Principle

- Why tax authorities scrutinise related-party pricing.
- The arm's length principle and Article 9 of the OECD Model Tax Convention.
- Related-party definitions, control tests and disclosure thresholds.
- Comparability factors: contractual terms, functions and economic circumstances.
- Permanent establishment risk and profit attribution basics.
- Base erosion and profit shifting concepts in simple terms.

- Workshop: identifying which transactions need documentation.

Day 2: Functional Analysis and Method Selection

- Functional analysis: functions performed, assets used and risks assumed.
- Value chain analysis and identifying the tested party.
- The five OECD methods: comparable uncontrolled price, resale price, cost plus, transactional net margin and profit split.
- Choosing the most appropriate method for each transaction type.
- Transactional versus entity-level approaches.
- Handling services, royalties and tangible goods transactions.
- Workshop: preparing a functional analysis and defending method choice.

Day 3: Comparables Search and Benchmarking

- Overview of databases: Orbis, TP Catalyst, RoyaltyStat and S&P Capital IQ.
- Industry code selection using NACE and SIC classifications.
- Quantitative screens: revenue, independence and data availability.
- Qualitative screens and rejection matrices.
- Comparability adjustments for accounting and working capital differences.
- Documenting the search process for audit defensibility.
- Workshop: running a comparable search and building a rejection matrix.

Day 4: Profit Level Indicators and Range Testing

- Selecting profit level indicators: net cost plus, gross margin, operating margin and Berry ratio.
- Calculating and interpreting results for the tested party.

- Interquartile range, median and arm's length range application.
- Testing loss-making comparables and outliers.
- Applying the transactional net margin method correctly.
- Sensitivity checks and documenting the benchmark set.
- Workshop: calculating profit level indicators and applying range tests.

Day 5: Documentation, Agreements and Dispute Readiness

- Structure of the master file, local file and country-by-country report.
- Drafting the benchmarking and functional analysis sections.
- Intercompany agreements and their role in defending policy.
- Responding to tax authority queries and information requests.
- Penalty regimes, documentation deadlines and compliance calendars.
- Dispute routes including mutual agreement procedures and advance pricing agreements.
- Workshop: preparing a local file summary and presenting it for review.

Conclusion

By successfully completing Fundamentals of Transfer Pricing Training Course, participants will have acquired the knowledge to price related-party transactions and document them defensibly. They will understand the arm's length principle, functional analysis, method selection, comparables, profit level indicators and documentation standards, and they will know how to answer tax authority questions with evidence. As a result, delegates strengthen their organisation's transfer pricing position. Gentex Training Center builds the programme around current OECD practice.

LEARN BOLD. **LEAD BEYOND**
GENTEX Training Center LLC | Orlando - FL, USA
Info@gentextraining.com

FAQs for the Fundamentals of Transfer Pricing course

Q1 What is the "Fundamentals of Transfer Pricing" course about?

It explains how related-party transactions are priced for tax purposes. You learn the arm's length principle, functional analysis, the OECD methods, comparables searches, profit level indicators and the master file, local file and country-by-country report.

Q2 What are the key benefits of the "Fundamentals of Transfer Pricing" course?

You gain the ability to build and defend a transfer pricing policy rather than relying entirely on external advisers. You also reduce penalty and adjustment exposure, tighten documentation, and answer tax authority questions with evidence instead of assumptions.

Q3 What skills will I gain from the "Fundamentals of Transfer Pricing" course?

You will gain transfer pricing analysis and documentation, functional analysis and method selection, comparable search and benchmarking, and range testing and audit defence.

GENTEX® TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
Info@gentextraining.com

Q4 What tools, methods, or standards are covered in the "Fundamentals of Transfer Pricing" course?

The course covers the OECD Transfer Pricing Guidelines and Article 9 of the OECD Model Tax Convention, the five OECD methods including the comparable uncontrolled price, resale price, cost plus, transactional net margin and profit split methods, databases such as Orbis, TP Catalyst and RoyaltyStat, profit level indicators, the interquartile range test, and master file, local file and country-by-country reporting.

Q5 How is the "Fundamentals of Transfer Pricing" course applied in real-world practice?

Graduates apply it to set intercompany pricing policies, prepare annual local file documentation, support management fee and royalty arrangements, respond to tax authority information requests, and manage transfer pricing risk across multiple jurisdictions.