

The Future of Transfer Pricing

Luxembourg

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Nicolas Gillet, EY

Antonio A. Weffer, Baker & McKenzie

With you today



Nicolas Gillet
EY

Partner
Transfer Pricing
Luxembourg

Tel: +352 42 124 7524
Mobile: +352 691 104 524
Fax: +352 42 124 57524
Email: nicolas.gillet@lu.ey.com



Antonio A. Weffer
Baker & McKenzie

Tax Director
Transfer Pricing Country Leader
Luxembourg

Tel: +352 261844 254
Mobile: + 352 691 890 151
Fax: + 352 26 18 44 99
Email: Antonio.Weffer@bakermckenzie.com

Agenda

- ▶ Current transfer pricing regulation and practice in Luxembourg
- ▶ The impact of the BEPS project on transfer pricing
 - ▶ Introduction
 - ▶ Challenges of transactions with intangibles
 - ▶ Definition of intangibles
 - ▶ Transactions with intangibles
 - ▶ “Substance over form” approach toward intangibles
 - ▶ Comparability and group synergies
 - ▶ Hard to value intangibles
 - ▶ Cost contribution agreements (CCAs)

Agenda (continued)

- ▶ Risk and Capital
- ▶ High-Risk Transactions
 - ▶ CUP and Quotes Prices for Cross-Border Commodity Transactions
 - ▶ Intra-Group Services
 - ▶ Profit Splits in the Context of Value Chains
- ▶ Transfer Pricing Documentation
 - ▶ Country-by-Country Reporting
 - ▶ Master and Local Files
 - ▶ Compliance Costs
- ▶ TP-Related Measures in Other BEPS Actions and Other Measures Against BEPS
- ▶ Can BEPS Work in Favour of MNEs?

What is the Future of Transfer Pricing in Luxembourg?



- ▶ Following the OECD Transfer Pricing Guidelines
- ▶ Implementation of the OECD BEPS Action Plan
- ▶ Implementation of EU Directives
- ▶ Further formalization of the Transfer Pricing Framework

Nicolas Gillet

EY

nicolas.gillet@lu.ey.com

Antonio A. Weffer

Baker & McKenzie

Antonio.Weffer@bakermckenzie.com