



KPMG Global Transfer Pricing Services (GTPS) is excited to launch EMA Transfer Pricing Insights, an effort that brings together a team from across the EMA region to share their transfer pricing stories and experiences with you.

Drawing on the collective power of the KPMG EMA network, the Insights Team will identify areas where tax administrations are adopting common approaches to transfer pricing and where national experiences are different. And provide you with updates on the latest trends and hot topic issues. All to help you minimize your transfer pricing risks. The EMA Transfer Pricing Insights team is sponsored by Gianni De Robertis (GTPS Leader for the KPMG EMA Region) and led by Jeroen Dijkman (Head of KPMG Meijburg & Co's Transfer Pricing practice).

This report collates a number of exciting and topical transfer pricing articles that KPMG member firms have recently published, covering a variety of global, European, country and industry-specific issues.

Global

—[BEPS 2.0 and the future of the arm's length principle](#)

The arm's-length principle has been the cornerstone of the international tax system for about a century. That system is now in a state of flux and seems threatened by BEPS 2.0. In a series of [articles](#), KPMG in the US takes a step back and considers what BEPS 2.0 really means for the future of the arm's length principle.

—[Amount B: Simplification of transfer pricing for marketing and distribution](#)

On 8 December 2022, the OECD released a consultation document on Pillar One – Amount B, which is intended to streamline and simplify the application of the arm's length principle to in-country baseline marketing and distribution activities. In this [article](#), KPMG summarizes the consultation document and the key takeaways for businesses.

—[Controversy: Mutual agreement \(MAP\) statistics for 2021](#)

On 22 November 2022, the OECD released the latest MAP statistics covering 127 jurisdictions and practically all MAP cases worldwide. In this [article](#), the US and UK KPMG firms summarize the main conclusions and trends identified by the OECD.

—[ESG: How transfer pricing practitioners can respond to ESG-related changes?](#)

Environmental, social and governance (ESG) policies and the movement towards greater sustainability is transforming the way many businesses operate. In this [article](#), KPMG in the US analyzes how transfer pricing practitioners can respond to ESG-related changes.

—**Financial Transactions: Current state and trends in intercompany financial transactions**

New regulatory guidance and scrutiny from tax authorities have added complexity to transfer pricing analyses of intercompany financial transactions. In this [article](#), KPMG in the US reviews a recent KPMG survey that highlights commonalities in how 16 major jurisdictions address some common issues pertaining to transfer pricing analyses of intercompany loans and guarantees.

—**Financial Transactions: How does the rising cost of debt impact transfer pricing?**

Recent increases in interest rates are bringing transfer pricing for financial transactions into sharper focus. In this [article](#), KPMG in the UK summarizes the key considerations for groups arising from the rising interest rate environment and how they can respond to be audit ready.

—**Operational Transfer Pricing: Why operationalizing transfer pricing is more important than ever**

Tax and transfer pricing practitioners must navigate an increasingly complex and uncertain landscape, while also responding to global shifts in the way multinational enterprises do business. In this [article](#) KPMG in the US examines how companies can better use transfer pricing processes and technology to prepare for regulatory and reporting changes.

—**Year-end tax discussion ideas for international tax and transfer pricing**

Year end is rapidly approach. In this timely [report](#), KPMG in the US outlines the year-end planning discussions taxpayers should be having with their advisors now.

Europe

—**Documentation: EU public country-by-country reporting implementation**

The EU public country-by-country reporting directive entered into force on 21 December 2021. EU Member States have until 22 June 2023 to transpose this directive into domestic legislation. The rules will apply, at the latest, from the commencement date of the first financial year starting on or after 22 June 2024. This [Special Edition EuroTaxFlash](#) summarizes where Member States are in terms of implementing the new rules into their domestic legislation as at 15 November 2022.

—**Documentation: Transfer Pricing Documentation compliance and EU law**

KPMG's EU Tax Centre compiles a regular update of EU and international tax developments. The October [edition](#) includes a summary of a recent decision by the Court of Justice of the European Union concerning sanctions for non-compliance with transfer pricing documentation requirements.

—**State Aid: The CJEU annuls Commission decision on Luxembourg transfer pricing ruling**

The European Commission suffered another blow in its attempts to use state aid to challenge transfer pricing rulings given by EU Member States. In this [article](#), KPMG's EU Tax Centre summarizes the decision and discusses what this might mean for other cases that are currently pending.

Country specific

—**Germany: Amendment to transfer pricing documentation requirements**

Germany has amended their transfer pricing documentation requirements. From tax years beginning on or after 31 December 2024 when a tax audit commences taxpayers will be required to submit transfer pricing documentation within 30 days (down from 60 days today) without a specific request from the tax administration. In this, [report](#) KPMG in Germany summarize the changes.

—**Germany: Updated ordinance on cross-border transfers of functions published**

On 25 October 2022, an updated version of the ordinance on the application of the arm's length principles in relation to the cross-border transfer of functions was published in the Official Gazette. The update aims to adapt and restructure the existing regulations to better align with the OECD Transfer Pricing Guidelines. The new provisions are applicable to all assessment periods starting after 31 December 2021. For more information, please refer to KPMG's [EuroTaxFlash](#).

—**Malta: Formal transfer pricing rules introduced**

On 18 November 2022, Malta published subsidiary legislation implementing formal transfer pricing rules. The new rules will be effective from 1 January 2024 and apply to related party arrangements entered into on or after such date, including any arrangements entered into before that date which would have been materially changed thereafter. This [article](#), prepared by KPMG in Malta analyses the main implications.

—**Netherlands: Policy statement on hybrid mismatches updated**

On 3 November 2022, the Ministry of Finance published an update of the policy statement on hybrid mismatches. This update states that in cost-plus situations there should still be a deduction for costs avoiding economic double taxation. The spirit and intent of the anti-abuse measures is thus respected. This update is discussed in more detail in this [article](#) prepared by KPMG in the Netherlands.

—**Netherlands: New Dutch transfer pricing decree**

On 1 July 2022, a new Dutch transfer pricing decree was issued. This decree replaced the decree of 22 April 2018. The main changes in relation to the previous decree are described in this [article](#) and in this [webcast](#) published by KPMG in the Netherlands.

—**Netherlands: New Dutch decree on profit attribution to permanent establishments**

A new Dutch decree on profit attribution to permanent establishments was published in the Netherlands on 1 July 2022. This decree replaced the decree of 15 January 2011. The new decree provides clarity on the way the Dutch Tax and Customs Administration deals with profit attribution to permanent establishments. The most important changes are summarized in this [article](#) prepared by KPMG in the Netherlands.

Industry specific

—**Transfer pricing considerations in the age of precision medicine**

Precision medicine is transforming the healthcare and life science industry. In this [article](#), KPMG in the US analyses the disruption caused by chimeric antigen receptor T-cell (CAR T) therapy, a type of cell and gene therapy, to standard business models in the life sciences industry and its implications for transfer pricing.

Kind regards,

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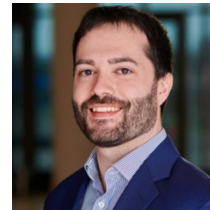
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