



# **Global Transfer Pricing Services**

Your trusted partner  
providing practical,  
sound and sustainable  
solutions for all transfer  
pricing issues

**Your global tax partner**



*Transfer pricing is  
currently the top  
tax priority facing  
multinational  
businesses.*



# Overview


Transfer pricing issues are at the forefront of international tax concerns to document intercompany transactions and comply with the arm's length standard. The transfer pricing regulatory environment is undergoing significant changes, notably due to the OECD/G20's Base Erosion and Profit Shifting ("BEPS") project, the Taxation of the Digital Economy initiative and the impact of the COVID-19 Global Pandemic.

**Together, we can develop and support strong and sustainable transfer pricing and international tax solutions that work for you.**

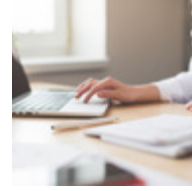
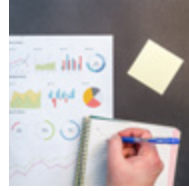
## Our firm's Transfer Pricing Practice

Thank you for your interest in TAXAND CYPRUS. Our firm was born from the decision of a few tax advisors and fellow Oxford alumni residents, in 3 different continents, to merge their tax practices, join the Taxand Network, and offer a bench strength focused on transfer pricing and international tax capabilities to support clients worldwide. The team has over 20 years of transfer pricing experience, including partnership roles globally located. We prioritise our clients and provide sound and timely responses to meet current and future needs.



A blurred high-speed train in a station with blue lighting. The train is moving from left to right, creating a sense of motion. The station platform is visible in the foreground, and the ceiling has bright lights. The overall color palette is dominated by blues and greys.

*Across markets and industries,  
TAXAND CYPRUS is your trusted  
partner providing practical,  
sound and sustainable solutions  
for all transfer pricing issues.*



## How we can help

Our team of first-class professionals offers a full range of transfer pricing services and strategic integrated tax advice, from major locations, to effectively provide solutions for multinational clients.

### **Economic Benchmarking**

With a multidisciplinary and very experienced team, making use of prime software and databases, we conduct economic benchmarking analysis to evaluate the arm's length nature of intercompany dealings and pricing, be it for manufacturing, distribution, procurement, R&D, support services, management services, treasury, interest rates on intercompany debts or royalty rates on intercompany licensing, to mention just a few.

### **Financial Operations Transfer Pricing**

We have a truly excellent team, multijurisdictional, highly experienced and specialised in intra-group financial transactions, banking, insurance, as well as investment funds and alternative capital. We regularly prepare various modeling exercises and assist in preparing transfer pricing analysis for treasury, intra-group debts, fund management companies, banks, captive insurance, intra-group financial guarantees, cash pooling and related arrangements, and other derivative or non-traditional financial instruments or activities.

### **TP Policy and Strategy Design**

On the basis of solid industry and value chain analyses, we design, implement, evaluate and reconsider group transfer pricing policies, in relation to the relevant activities, the economic circumstances and business strategies of our clients.

### **M&A / Business Restructurings**

We support our clients in restructuring projects, through strategic advice and transfer pricing documentation, to attain the best sustainable alternatives, keeping ahead of the curve and navigating the regulatory landscape as it evolves.





*We integrate our transfer pricing expertise with the various practices across our firm to offer you a fully rounded response.*

## **Attribution of Profits to Permanent Establishments**

Many companies operate abroad through branches, and in some cases it is an industry standard, such as in the banking sector. We assist in documenting the attribution of profits to permanent establishments based on the tax treaty in place, domestic law rules and, in particular, when transfer pricing guidance must be applied by analogy.

## **Transfer Pricing Documentation**

We are eager to assist with the preparation of current Transfer Pricing Documentation compliant with local regulations and international standards, detailing the evaluation of the arm's length nature of intra-group dealings. This includes: Master File, Local File, special purpose reports, Country-by-Country Reporting, as well as providing implementation guidance and support, to correctly reflect the transfer pricing policies in tax returns, intercompany agreements and other corporate filings.

## **Valuation Services**

We prepare solid valuation reports in particular for businesses, intangible assets, real estate and financial portfolios, for various purposes including reorganisations, litigation and tax rulings.

## **APAs, Controversy, Litigation Support and Tax Audit Defence**

We have an excellent record of successfully obtaining tax rulings and Advance Pricing Agreement (APA) in various countries. We have exceptional experience in providing compelling tax and transfer pricing advice in the context of litigation, as well as in negotiations with various competent tax authorities to diffuse controversies and lead tax audits to a sound outcome, based on not only a practical approach but also on sound legal arguments and economic analyses.

## **Taxation of the Digital Economy**

There are various national and international initiatives to change how highly digitalised businesses are taxed cross-border. Transfer pricing is at the centre of the new rules. It is essential to be ahead of the curve, measure and model the tax implications of the measures and of the alternatives available.

# Experience

## **UK/Cyprus: Global Fund Manager (EUR 3bn)**

Advising on transfer pricing of the intra-group transactions of the fund companies, and advising on the new risk analysis framework - six-step process following BEPS Actions 8-10 for identifying and analysing risks.

## **UK: Treasury company investing in distressed debt, for a large UK Pension Fund (GBP 7bn)**

Transfer pricing evaluation of the interest and gain components related to distressed debt of intermediary financing companies, including the credit evaluation and expected recovery rates of the borrowers.

## **Cyprus: Trading Platform Valuation (EUR 300m)**

Prepared a valuation for the transfer of software for a trading platform and obtained tax rulings in Cyprus regarding the IP regime, and abroad securing tax certainty regarding royalty rates applied.

## **Asia: Restructuring for Luxury products multinational (>EUR 10bn)**

Designed a new transfer pricing global policy for a large Asian multinational operating in the retail business of luxury products, preparing documentation and negotiating various APAs in various countries.

## **Israel: Valuation of intangibles for an Entertainment and Gaming Group (EUR 100m)**

Valuation of various marketing intangibles being sold, in relation to products in the entertainment and gaming industry.

## **US: Intra-group financing for R&D activities of a major US technology multinational (USD 2.5bn)**

Providing transfer pricing advice on structuring various financial instruments through Cyprus, granted from the US, ultimately to European subsidiaries of a US technology multinational. The subsidiaries were engaged in "blue sky" (high risk) research and development activities.

## **Luxembourg / Singapore / Cyprus: Treasury company of major real estate fund (EUR 1.5bn)**

Advised on setting-up full-fledged treasury companies in Luxembourg and Singapore of a Cyprus-based regulated fund, investing in Asian and European real estate.



## **Eastern Europe: TP litigation support for Original Equipment Manufacturer (OEM) (EUR 400m)**

Developed a transfer pricing model to map, in particular, key functions and intangibles explaining the group's profit allocation, successfully employed in the context of tax litigation for an OEM operating in Eastern Europe.

## **Netherlands / Belgium: Transfer of portfolio of loans from a Private Bank provided to online entertainment start-ups (EUR 3bn)**

Advised on the transfer of a large portfolio of intra-group loan receivables from Belgium to the Netherlands, and negotiated an APA with the Dutch tax authorities. The loans had been granted to online gaming and online casinos start-ups, and the project included a valuation of the gain realised upon the transfer of the portfolio of loans.

## **LATAM: Parent guarantees to issue bonds to the market to acquire a pharma Company in LATAM (USD 2bn)**

Advised on the transfer pricing aspects of parent company financial guarantees, including an element of performance guarantee, to issue bonds to the market and use the proceeds to acquire a LATAM pharmaceutical.





## **Demis Ioannou**

### Tax Partner at Taxand Cyprus

Demis specialises in corporate income tax law, transfer pricing and international tax (treaty) law. He has a strong track record with clients in advising on transfer pricing issues and in complex corporate tax law issues. His extensive interest on comparative income tax law (US, UK, Canada and Australia) offers him a unique advantage in solving complex tax issues in Cyprus.

Demis received his Master of Laws (MSc) in Tax Law from Oxford University. He was trained from a Big4 company and holds a first-class Bachelor's Degree in Accounting and Finance from the UK, as well as being a qualified Chartered Accountant in England & Wales. He is currently an LLB candidate (final year) at Frederick University Cyprus.

Demis' dissertation in Oxford focuses on analysing the OECD BEPS Project and was supervised by Richard Collier a senior tax advisor of the OECD on transfer pricing issues. In addition, he published a paper for the Cambridge Tax Law History Conference edited by Professor Peter Harris (University of Cambridge) on income tax fundamentals and the origins of the Cypriot income tax law. Demis is a co-representative for IFA (YIN) in Cyprus.





## **Gaspar Lopes Dias**

### Tax Partner at Taxand Cyprus

Gaspar specialises in transfer pricing and international taxation, having experience in a broad range of transfer pricing matters including financial operations, business reorganisations and IP structuring, advising multinationals in various industries and investment funds. Gaspar joined Taxand Cyprus from the tax practice of Baker & McKenzie in London, having previously worked at Loyens & Loeff in Luxembourg, and KPMG Belgium. LL.B civil law (Nova University Lisbon), LL.M International Tax (Tilburg University), MSc Taxation (University of Oxford), ADIT, UK CIOT, IFA member (UK Branch).



## **Christos Theophilou**

### Tax Partner at Taxand Cyprus

Christos specialises in private clients and corporate tax issues (including transfer pricing) with an international dimension, such as private equity structuring, cross-border investments, structured finance, IP structuring and international trade.

Christos received his Master of Laws (MSc) in Tax Law from Oxford University. He was trained from a Big4 company and holds a Bachelor's Degree in Economics, the Advanced Diploma in International Taxation (ADIT) of the UK Chartered Institute of Taxation, as well as being a qualified Chartered Accountant in England & Wales. He is currently an LLB candidate (final year) at Frederick University Cyprus. Christos is a contributor to international tax publications such as IBFD, Tax Notes International, Bloomberg, International Tax Review and IFA as a national reporter. Furthermore, Christos is currently a member of the Tax Policy and Strategy committee of the Institute of Certified Public Accountants of Cyprus.

Christos is also a freelance lecturer for Tolley's (LexisNexis) in Greece, Cyprus and Ukraine, where his main areas are ADIT Paper 1 Principles of International Tax. Christos is a well-known personality in the tax world, where he is a regular speaker at a wide range of conferences.





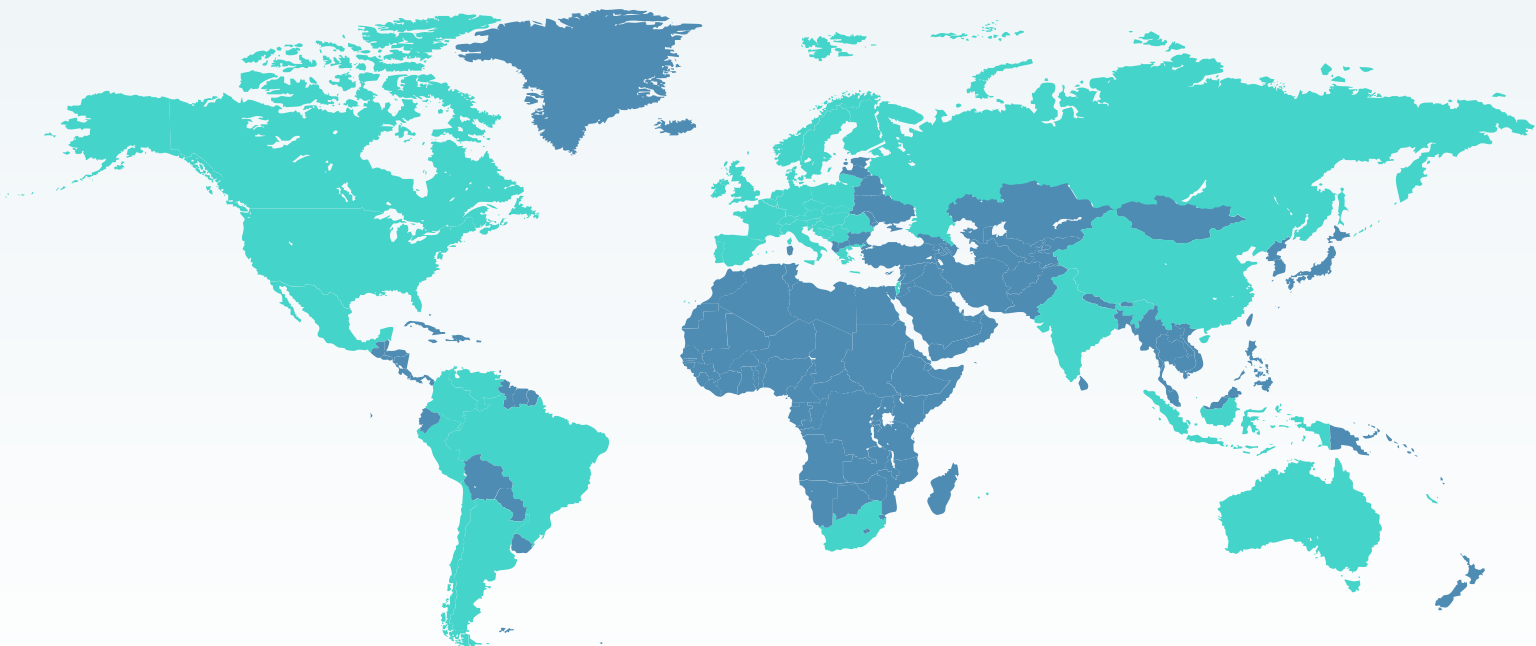
## **Costas Savva**

### Tax Partner at Taxand Cyprus

Costas has considerable experience in advising on international tax law and corporate tax issues. He focuses his practice on the tax aspects of inbound and outbound business operations with a strong track record in cross-border investment structures and structured finance. Costas also specialises in Transfer Pricing, with experience in a broad range of transfer pricing matters. He advises on financial transactions (e.g., cash pool, debt pricing) and intragroup services.

Costas holds an LLB from Frederick University and a Master of Laws (LLM) in International Taxation from the Vienna University of Economics and Business (WU) in Austria. He is a qualified fellow member of the Association of Certified Chartered Accountants (ACCA) and a member of the Institute of Certified Public Accountants of Cyprus (ICPAC). He was trained by KPMG Cyprus, where he later served as a senior manager at the Nicosia office.

Costas serves as the Cypriot correspondent of the IBFD holding regime. He is also the co-author of the book *Limiting Base Erosion* edited by Professor Michael Lang. He regularly publishes on a wide variety of tax topics.



## Taxand Network

The world's largest independent tax organisation

Taxand provides high quality, integrated tax advice worldwide. Our tax professionals, more than 550 tax partners and over 2,500 tax advisors in 50 countries, grasp both the fine points of tax and the broader strategic implications, helping you mitigate risk, manage your tax burden and drive the performance of your business.

We are passionate about tax. We collaborate and share knowledge, capitalising on our expertise to provide you with high quality, tailored advice that helps relieve the pressures associated with making complex tax decisions.

We are also independent implementing best industry practices and complying with tax law, remaining free from time consuming, audit-based conflict checks. This enables us to deliver practical advice, responsively.

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Malaysia • Puerto Rico • Switzerland • Slovenia • Hungary • Malta  
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## CYPRUS

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