

Thinking big can help keep your tax controversy small.

Today's global connectivity means it is easier for companies to be faced with multi-dimensional, multi-country tax controversy. How can you manage the risk?



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Issue 10, April 2019

US IRS releases new financial model, continuing pressure on transfer pricing policies

OECD member countries continue to focus on the management and control of risk in tax structures, paying close attention to transfer pricing. The US Advance Pricing and Mutual Agreement (APMA) program has released the Functional Cost Diagnostic Model to assist its due diligence of contributions by the relevant parties. APMA intends to use the model in limited cases to determine whether the US entity has significant functions related to control of risk. While the model is not meant to determine the best method, the model assesses whether a profit split method or another method is better suited to determine the arm's length price. Read [EY's Tax Alert](#) and listen to [EY's webcast replay](#).

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EYG no. 010282-18Gbl, 001868-19Gbl

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