

# Succeeding with Operational Transfer Pricing

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Ahead of the Wave

2024 U.S. Cross-Border Tax Conference

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# With you today

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# **Agenda**

Introduction

**Overview of transformations** 

**Common TP requirements** 

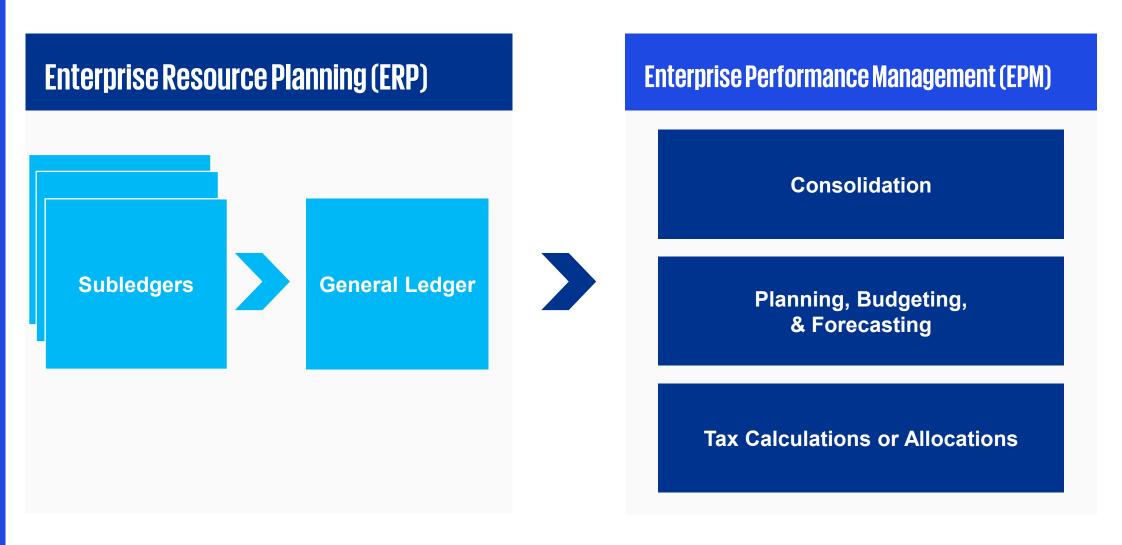
**SAP** capabilities to support **TP** 

**Obtaining stakeholder support** 

Q&A



# Simplified example: ERP vs EPM



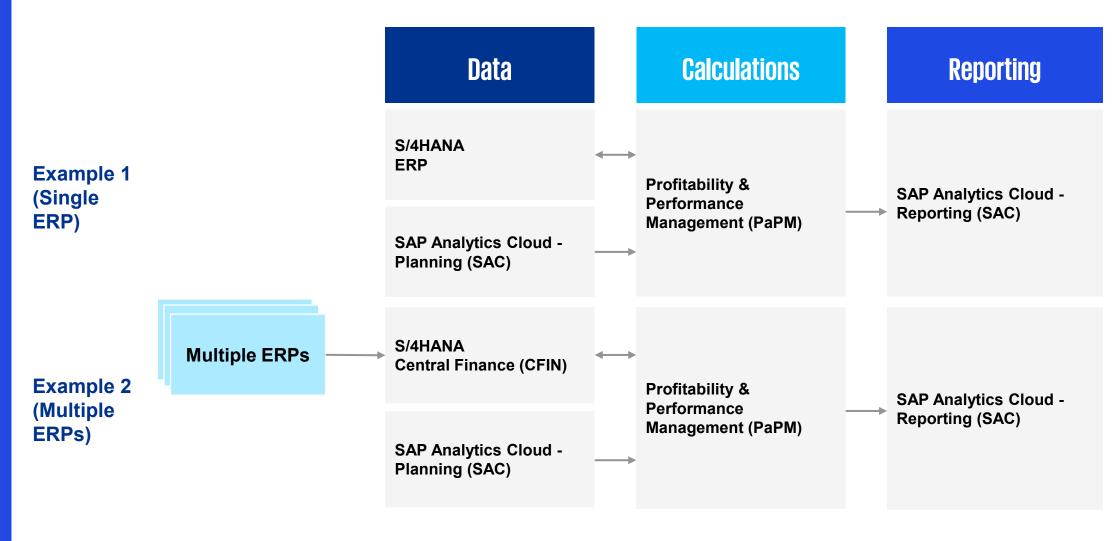


# Transfer pricing considerations in an ERP/EPM implementation

### **ERP EPM Use Cases** Key **Profitability Example Interco Activity TP Segmentation Monitoring** Requirements **Master Data Legal Entity** US GAAP By TP Function COA Interco Sales Orders, Purchase Sensitization Local GAAP By Product Orders, AP, AR Local Currency **Trading Partner** By Trading Partner Calculate TP Utilize master data **Adjusting Entries Local Ledgers Profit Center** where possible Difference in Calculate updated Perform Physical vs **Markups Financial Flow** allocations when **Product** necessary **Price Setting Cost Center** Intercompany **Maintain Pricelist Profit Tracking** or Markup by through Supply **Account** SKU Chain



# Simplified architecture SAP examples









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