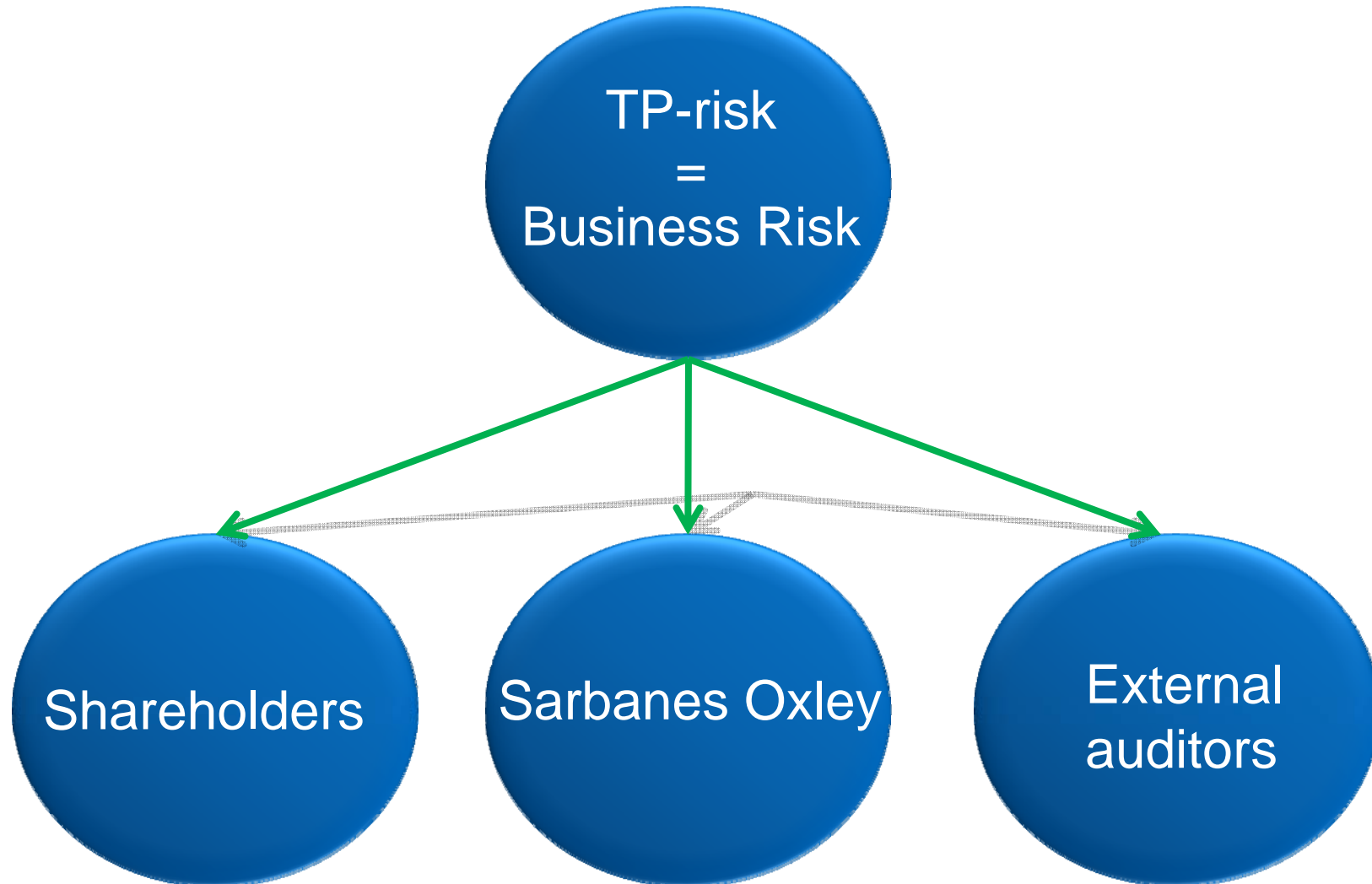


TP Risk Assessment

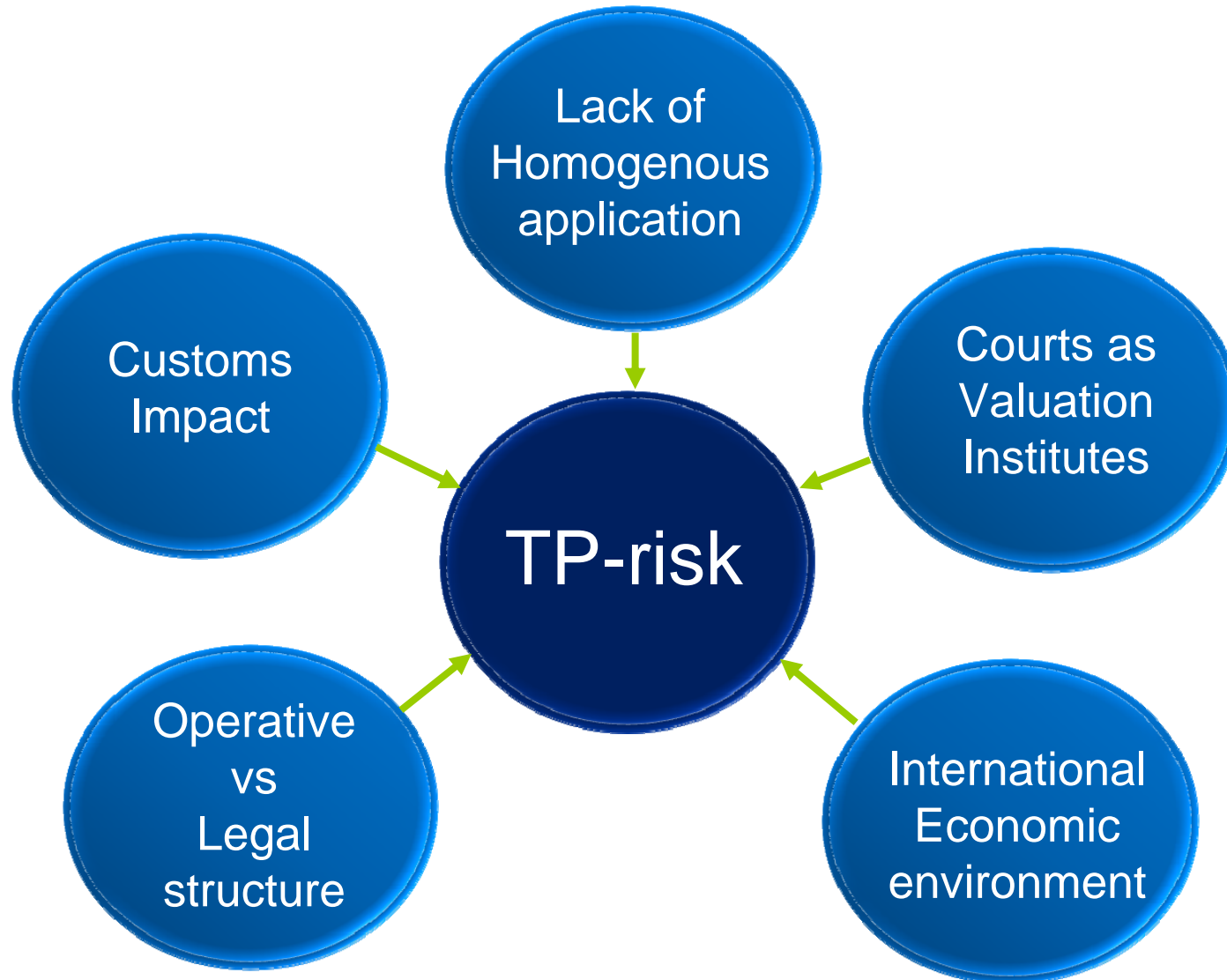
Private sector presentation

26 October 2011

Risk assessment context



Risk assessment context



Risk assessment context

Availability of
Documentation

Employees no
longer available

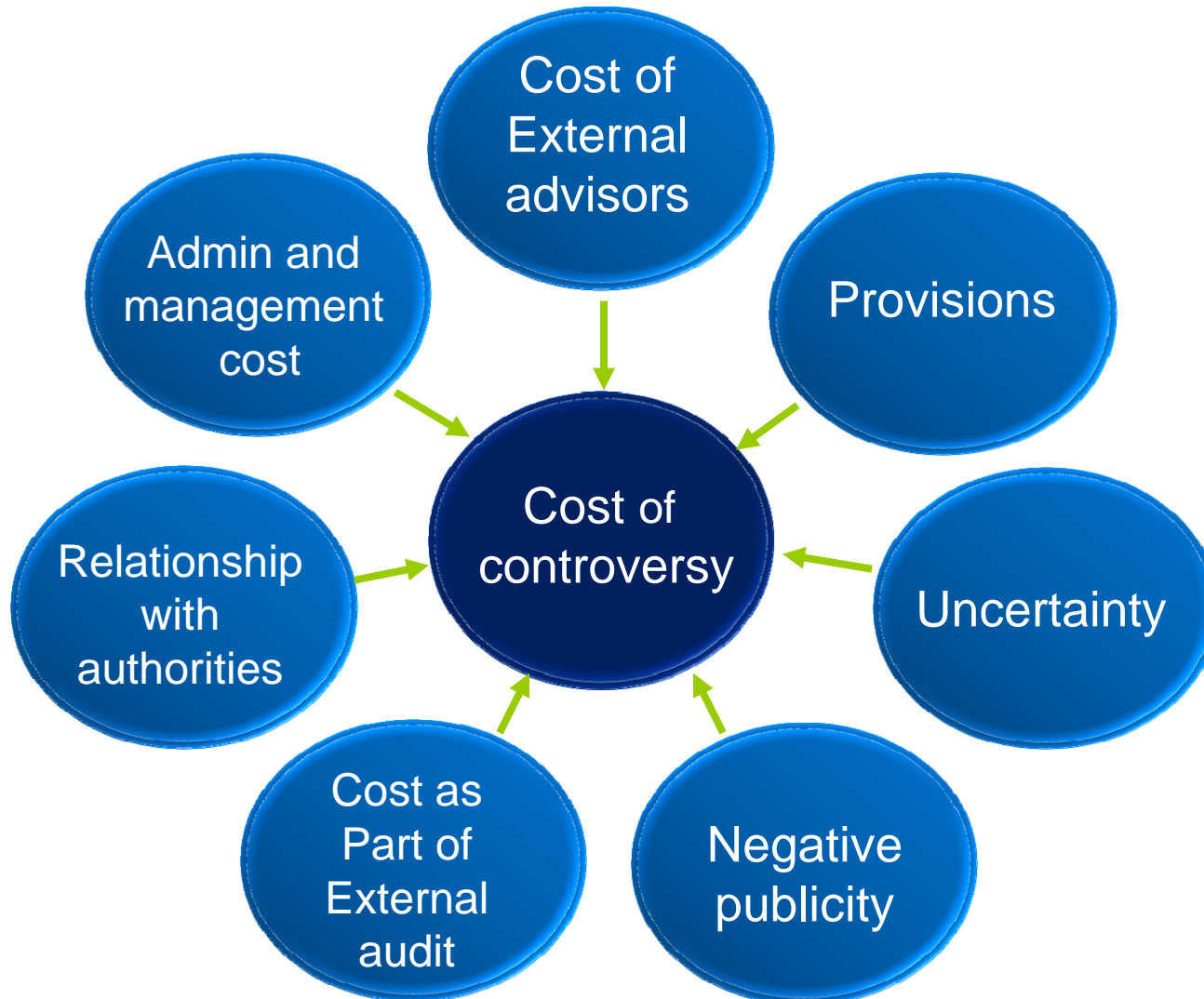
System
upgrades

Legal entities
Disposed or merged

Acquisitions
integrated

Transfer pricing
=
Business Risk

Risk assessment context



Risk assessment context

Structured, Topical or big picture approach. Choices on risk management
Approach depend on various factors like:

Size & Business
of
Company

Number & size
of
transactions

Tax policy
of
company

Complexity
of
transactions

Local
Legislation

Key elements of Risk assessment

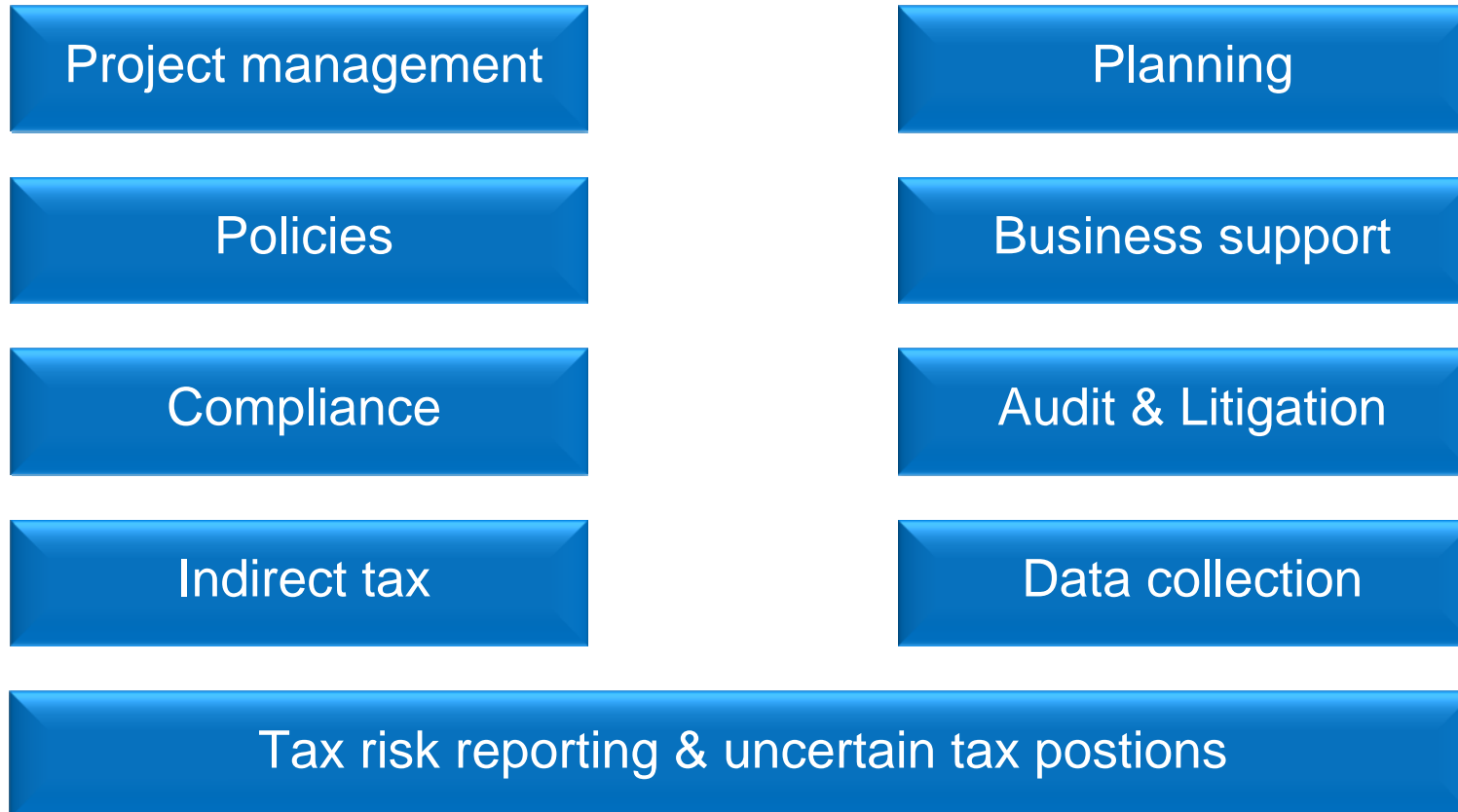
Tax Function

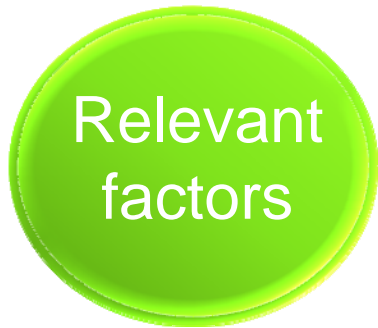
Relevant
Factors

Systems or
Approaches



Key elements of Risk assessment





Key elements of Risk assessment

| | | |
|-------------------|----------------------|------------------------|
| Legal structure | Supply Chain | IP ownership |
| # of transactions | Allocation mechanics | Shareholder cost |
| Cost sharing | Financing | Business restructuring |
| Rulings & APAs | Compliance | Provisions |
| Thin cap | Location of business | Pending audits |

Systems or Approaches

Key elements of Risk assessment

TP Expertise

Training

Information available

Interco contracts

Documentation

Controls

Indirect tax

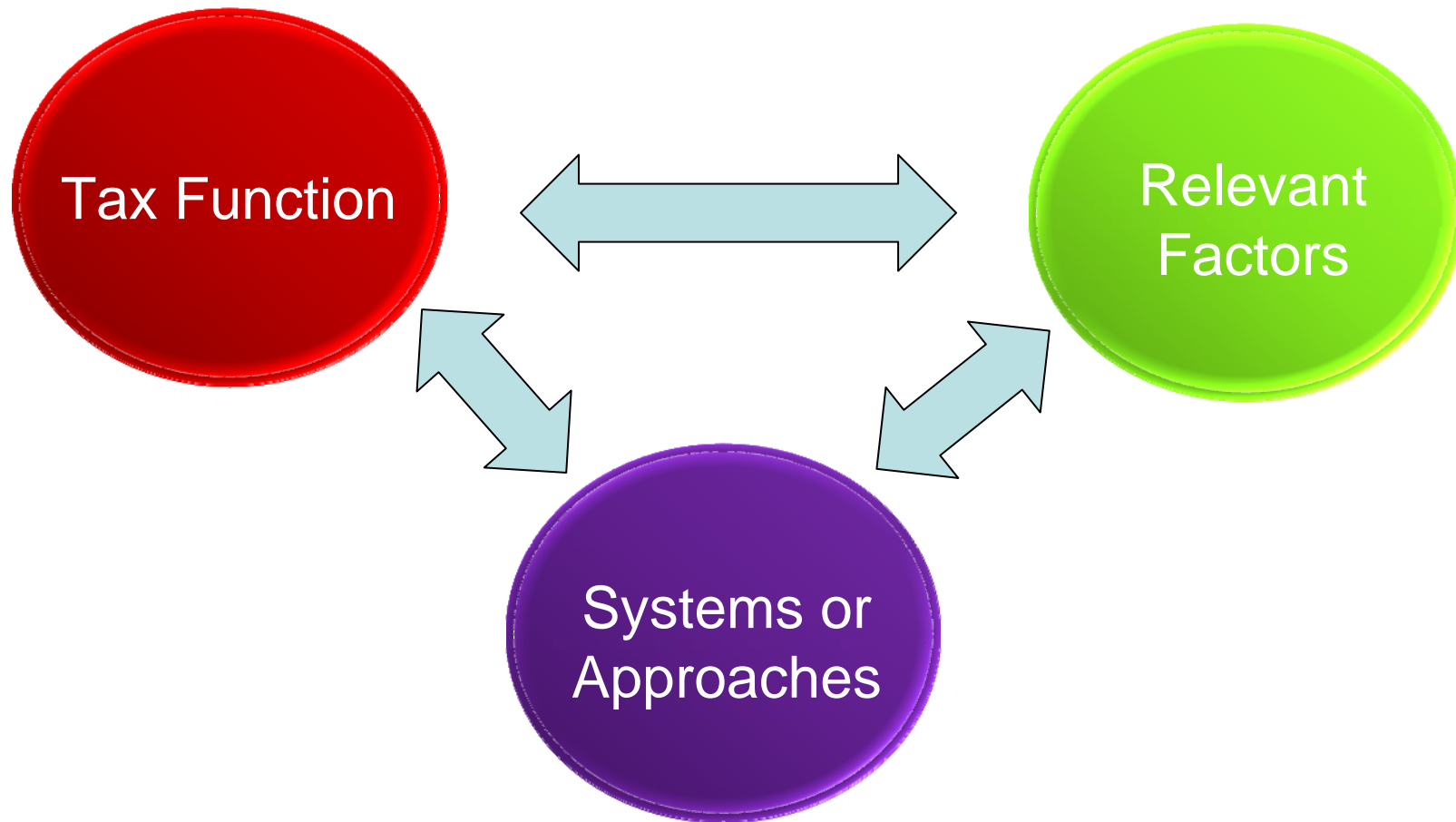
Market influence

Rulings & APAs

Business restructuring

Enhanced relations

Key elements of Risk assessment



Summary

Business
Risk

Various
Approaches

Risk =
Non –
Compliance

Impediment
Ec. Efficiency

Cost of
Controversy

Tax
Function

Relevant
factors

Systems or
Approaches