



BMF

**FEDERAL MINISTRY
OF FINANCE**

Risk Assessment and Transfer Pricing in Austria

place/date:

- **Facts on tax audits and case selection**
- **Decentralized risk assessment**
- **Challenges of the future**
- **Horizontal monitoring**

Who conducts the audit?

- **Audit teams of tax offices:**
 - **Turnover < € 9,68 mio**
 - **No specialization of auditors**
- **Large taxpayer audit unit:**
 - **Auditors are specialized in industries but not fields of tax law (3 teams specialized in international relations)**
 - **Team of experts (restructurings, tp, evaluation of tangible and intangible property)**

- **Ways of selection**
 - **Time selection**
 - **Group selection**
 - **Individual selection**
- **Audit density in Austria**
 - **Turnover > € 50mio every year of every taxpayer is audited**
 - **Between € 9,68 mio and € 50 mio frequent audits**
- **Focused audits in Austria**
 - **Not every transaction has to be audited, list of audit topics made by the auditor**

- **Education and training is the core of this system**
 - **Obligatory transfer pricing courses for every auditor**
 - **Broad basic knowledge**
- **Support for the auditors**
 - **Team of experts**
- **Red flags**
 - **Continuing losses**
 - **Transactions with tax havens**
 - **Profit fluctuation**
 - **Etc, etc.**

- **System is resource intensive**
 - **Tax administration**
 - **Taxpayer**
- **Discussion**
 - **Centralized risk assessment?**
 - **New resources for information**
 - **New ways – Enhanced relationship**

- **Tax authorities**
 - **Effective allocation of resources**
 - **Improvement of tax compliance**
 - **No decrease in revenues**
- **Taxpayer**
 - **Reduction of administrative efforts**
 - **Realtime legal certainty**
- **Communication**
 - **Trust and transparency**
- **Results**
 - **Less ex post audits, more ex ante evaluation**

- **Application:**
 - **Who can apply?**
 - **Who decides about participation?**
- **Internal Taxcontrolling**
 - **Internal risk assessment**
 - **Tax strategy**
 - **Open communication**

- **Pilot program**
- **Tailored for up to 15 participants**
- **1 at the moment and 3 applications**
- **Further decisions after evaluation**