



CREATING TRANSFER PRICING OPTIONS FOR EXISTING JV

THE CLIENT

- Metals and Mining Company with significant investment in JV
- JV is Company's principal supplier and Company is JV's largest customer

THE NEED

- Friction between Company and Partner around existing transfer pricing set-up
- Critical to resolve issue in the near term to prevent termination of otherwise successful – and important – partnership

OUR SOLUTION

- Analyzed relevant transfer pricing analogs (criteria for screening analogs based on unique features of JV industry, and JV deal terms)
- Created a range of transfer pricing options, modeled their NPV and risk impact over the cycle; and evaluated each based on attractiveness to Company, acceptability to Partner, and ease of implementation/ ongoing management
- Counseled Company in negotiating a favorable transfer pricing set-up with Partner

Case studies

