

TRANSFER PRICING

LOAN ANALYSIS MODULE: ONE-STOP SOLUTION FOR LOAN ANALYSIS

Over the past few years, the attention given to transfer pricing-related financial services, both by tax authorities and corporations, has continued to increase. In particular, multinational corporations have seen a greater role for intercompany loans—the interest of which must be charged at arm's length.

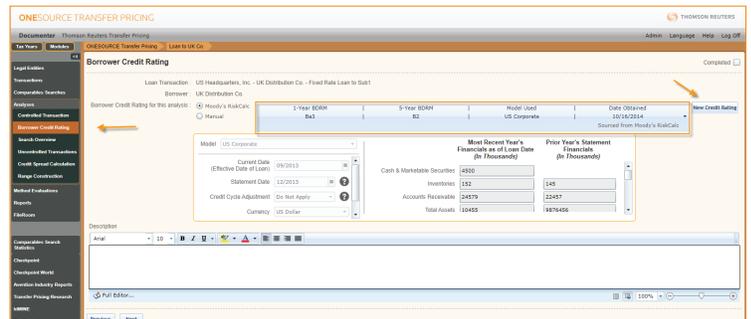
The Documenter version of ONESOURCE Transfer Pricing enables users to better analyze intercompany loans in an easy and efficient step-by-step process that incorporates credit rating data, comparable loan data, and functionality. In turn, this allows companies, accounting firms, and tax authorities to plan, document, and audit intercompany loans.

Now Thomson Reuters ONESOURCE Transfer Pricing is partnering with market leaders Moody's Analytics and DealScan to provide necessary data components for the proper analysis of intercompany loan transactions. This seamlessly integrates important data to streamline your workflow and help drive transfer pricing decisions. The data provided by these two tools integrate with ONESOURCE Transfer Pricing Documenter software in the following 3-step intercompany loan analysis process:



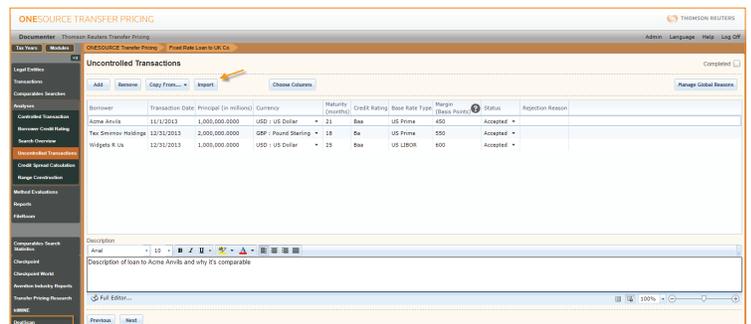
STEP 1: OBTAIN CREDIT RATING WITH MOODY'S ANALYTICS

Moody's Analytics RiskCalc™ solution equips transfer pricing practitioners with the ability to obtain implied credit ratings for the borrowing entity involved in the intercompany transaction. This tool calculates objective implied credit ratings for private firms across the world, enabling users to search, source, and import the financial statement data necessary to analyze the loan transaction. ONESOURCE users gain access to the RiskCalc solution that leverages Moody's Analytics Credit Research Database (CRD™) which is built in partnership with over 75 leading financial institutions worldwide. Moody's Analytics extensive framework computes implied credit ratings using a global network of RiskCalc models. The data is automatically integrated into ONESOURCE Transfer Pricing Documenter software and included in transfer pricing documentation reports.



STEP 2: SEARCH FOR COMPARABLE LOANS

LoanConnector DealScan is an easy-to-use database that contains over 220,000 third-party loan transactions. Customers working in the Documenter software can directly link to the market-leading DealScan database to conduct their search for comparable loans using the credit rating obtained in step 1 through Moody's Analytics RiskCalc solution as one of their search criteria. Users can then directly import the results into Documenter to build their analysis.



STEP 3: ANALYZE THE CREDIT SPREAD OF THE INTERCOMPANY LOAN AND THE COMPARABLE LOANS

Using the loan data from DealScan, ONESOURCE Transfer Pricing Documenter allows users to calculate the credit risk spread by stripping out the relevant risk-free rate for these comparable loans. These comparable loans' credit risk spreads provide the arm's length range to which the intercompany loan's credit risk spread is compared.

ONESOURCE Transfer Pricing Documenter also provides software users with the corresponding documentation reports custom-tailored for loan analyses.

This new loan module, incorporating Moody's Analytics RiskCalc solution and DealScan, equips tax professionals with relevant third-party data that is quickly and easily integrated into the ONESOURCE Transfer Pricing Documenter solution. In a rapidly changing transfer pricing landscape, this ONESOURCE Transfer Pricing loan module keeps users compliant and confident.

For more information, contact us at 1-888-885-0206, ext. 1

