



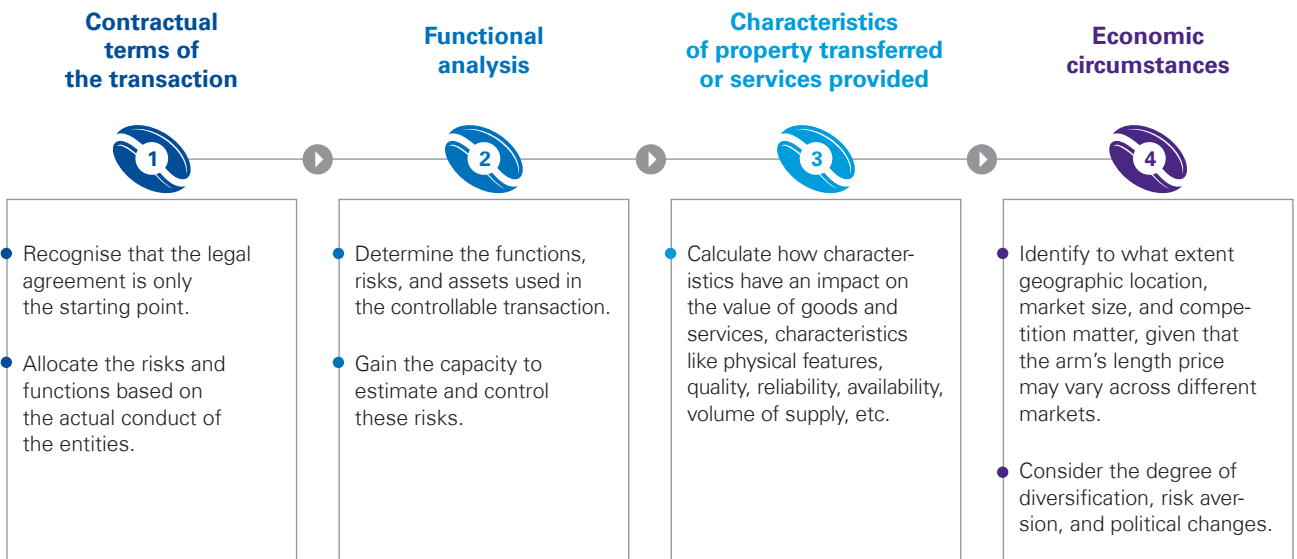
Transfer pricing: asset management services



A bespoke service catering to all types of alternative investments

We can help you get your transfer pricing documentation aligned with the highest standards.

- Our reports are in line with the recently published Article 56bis Luxembourg Income Tax Law, which stresses that:
 - the economic rationale for all intercompany transactions must be documented
 - all intercompany transactions must be seen in the context of a wider value chain analysis



Key points

- Economic rationale matters (e.g. contractual terms should be realistic).
- Transfer pricing should be explained in the wider context of the whole value chain.
- A contract is not enough → the actual behavior of the related entities is what matters.

AIFMs, GPs: we can help you with your transfer pricing needs.

Our service offers you:

- assistance from industry experts in documenting transfer pricing for ManCos and in using Luxembourg comparables
- for AIFMs (or Super ManCos) that outsource part of their functions, calculation of arm's length advisory or management fees
- analyses that are in line with the latest developments in Luxembourg on transfer pricing, as we regularly use value chain analyses to identify significant people functions

Example of a value chain analysis in which the intercompany fees can be benchmarked

Main functions	Level of value added by the function	Carried out by ManCo	Risk assumed by ManCo
Distribution/sales	High	Outsourced to related party	Low
Portfolio management	High	Outsourced to related party	Medium
Risk management	Medium	Yes	High
Fund administration	Low	Outsourced to third party	Low

For contact details please go to: www.kpmg.lu/alternativeinvestments

