



INTERNATIONAL INSTITUTE FOR TAX & FINANCE

UNLEASHING POTENTIAL

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Dear Student,

RE: ADVANCED DIPLOMA IN TRANSFER PRICING

1. Please find herewith your Assessment Questions.
2. There is 1 question totalling 10 marks.
3. **You are required to deliver your answer sheet to:** lesia@iitf.net, gilfer@iitf.net, office@taxriskmanagement.com, daniel@taxriskmanagement.com, RENIER@RVR.ME and adtpexam@iitf.net **by 23h00 on 28 June 2018.**

Any submissions after that time will not be accepted.

4. Below the questions you will find the format that your answer sheet must comply with. ***Please note that each answer should be started on a new page.*** (Not a new word Document).
5. Please note your answers need to be delivered in your own style and words.
6. **FORMAT:** Word, 1 ½ line spacing, Calibri Font, size 11 font, bluebook citation method.
7. **Under cover of an email, with SUBJECT HEADING:** 2018 TP STUDY Assignment.
8. If you require the use of other material, references or examples to emphasise your answer please ensure that specific reference is made to that material by way of footnotes using the Bluebook method of citation.
PLAGIARISM WILL RESULT IN THE EXAM PAPER NOT BEING MARKED.
9. Please review your examination and if you require any clarity on this exam, please contact Gil Ferreira at your earliest convenience so as not to jeopardise the time you have.

Kind regards,

Prof Dr Daniel N Erasmus/Renier van Rensburg





ADVANCED DIPLOMA IN TRANSFER PRICING 2017/2018 MID TERM – ASSIGNMENT 1

Question (20 Marks):

Xpenda is the Holding Company of a prominent mining group and is listed on the Johannesburg Stock Exchange. The Xpenda Nigeria PLC (one African subsidiary) mines various minerals in Nigeria. The subsidiary in Nigeria has a CEO, CFO, Tax manager and in-house legal advisor. The holding company charges the subsidiary cost plus 20% for management fees.

Required:

Perform a VERY basic TP study on **managements fees** paid from Nigeria to South Africa for IT support, HR support, Legal support and Accounting and Tax support. The study must be performed using the **ONESOURCE – Transfer Pricing Documenter**.

PLEASE NOTE: We are not looking to test your ability to use ONESOURCE – Transfer Pricing Documenter. If you require any assistance using ONESOURCE – Transfer Pricing Documenter please contact Lesia du Preez and she will arrange for Solomon Choge to assist you on a one on one training if necessary (at no cost - one day booking is required).

You obtain access to the ONESOURCE – Transfer Pricing Documenter at:

<https://www.onesourcelogin.com/>

Username: “your email address”

Password for all: Password@26

PLEASE NOTE: We only have access to this system from 13 April 2018 – 23 April 2018.

Additional Criteria:

1. Create a new study on ONESOURCE.
2. Choose all the criteria that you think is necessary, but record **every choice** made in your answer to this question. Make sure that you display your understanding of the OECD TP Guidelines principles, by **justifying each type of criteria chosen in this answer sheet** (explain why you choose that specific criteria and why it would be acceptable) *(this will count for most of the marks)*
3. Make sure you sift through the comparables (remember to include your sifting criteria in your answer), so that you have less than 200 comparable companies left in your final range.
4. The study must NOT be longer than 8 pages.



Advanced Diploma in Transfer Pricing 2017/2018 Mid-Term Examination – Answer Sheet

Student Surname:

Student First name:

Student e-mail address:

*PLEASE NOTE: Each answer MUST be answered on this answer sheet. The length of each answer should be in relation to the question and not this template.

PLEASE MAKE SURE TO FILL IN YOUR PERSONAL INFORMATION ABOVE

You are required to deliver your answer sheet to lesia@iitf.net, gilfer@iitf.net, office@taxriskmanagement.com, daniel@taxriskmanagement.com, RENIER@RVR.ME and adtpexam@iitf.net by 23h00 on 28 June 2018.

FORMAT: Word, 1 ½ line spacing, Calibri Font, size 11 font, bluebook citation method.

Under cover of an email, with SUBJECT HEADING: 2018 TP STUDY Assignment.

Any submissions after that time will not be accepted.

Please note that your answers need to be delivered in your own style and words. If you require the use of other material or examples to emphasize your answer please ensure that specific reference is made to that material by way of footnotes. **PLAGIARISM WILL RESULT IN THE EXAM PAPER NOT BEING MARKED.**

PLEASE MAKE SURE YOU READ THE TERMS AND CONDITIONS BELOW AND PLACE YOUR NAME IN THE SPACE BELOW. YOUR PAPER WILL NOT BE MARKED IF YOU HAVE NOT COMPLETED THE TERMS BELOW.

By submitting this exam I, (the student) agree to all the terms set out in this exam paper and further confirm that you have complied with all the requirements of the International Institute for Tax and Finance, the lecturers and examiners.

I further confirm that the answers provided in this paper have been generated and answered by me, and that I have not plagiarised any works in answering the questions. Where I have referenced any other works I have clearly named the reference on the exam answer.



Question 1 (10 Marks)

Official Use:
Mark

10