

# Hyperion Focus 2015

## Transfer pricing made easy with HFM

Christian Kobel

Transfer Pricing for Hyperion

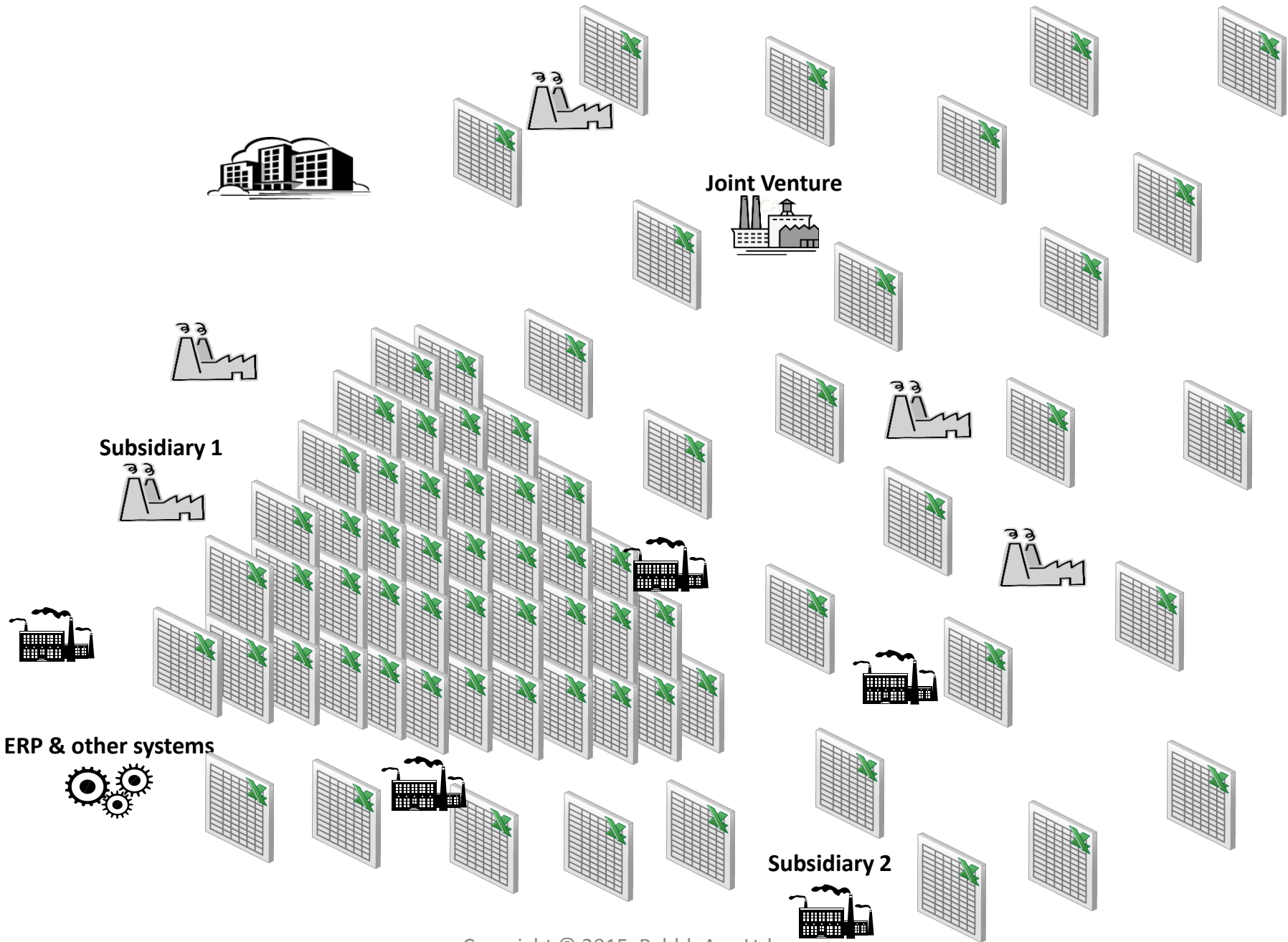


# **TRANSFER PRICING** for Hyperion

**The 2015/16 Transfer Pricing Challenge:**

**Prepare for  
Country by Country (CbC) Reporting automation**

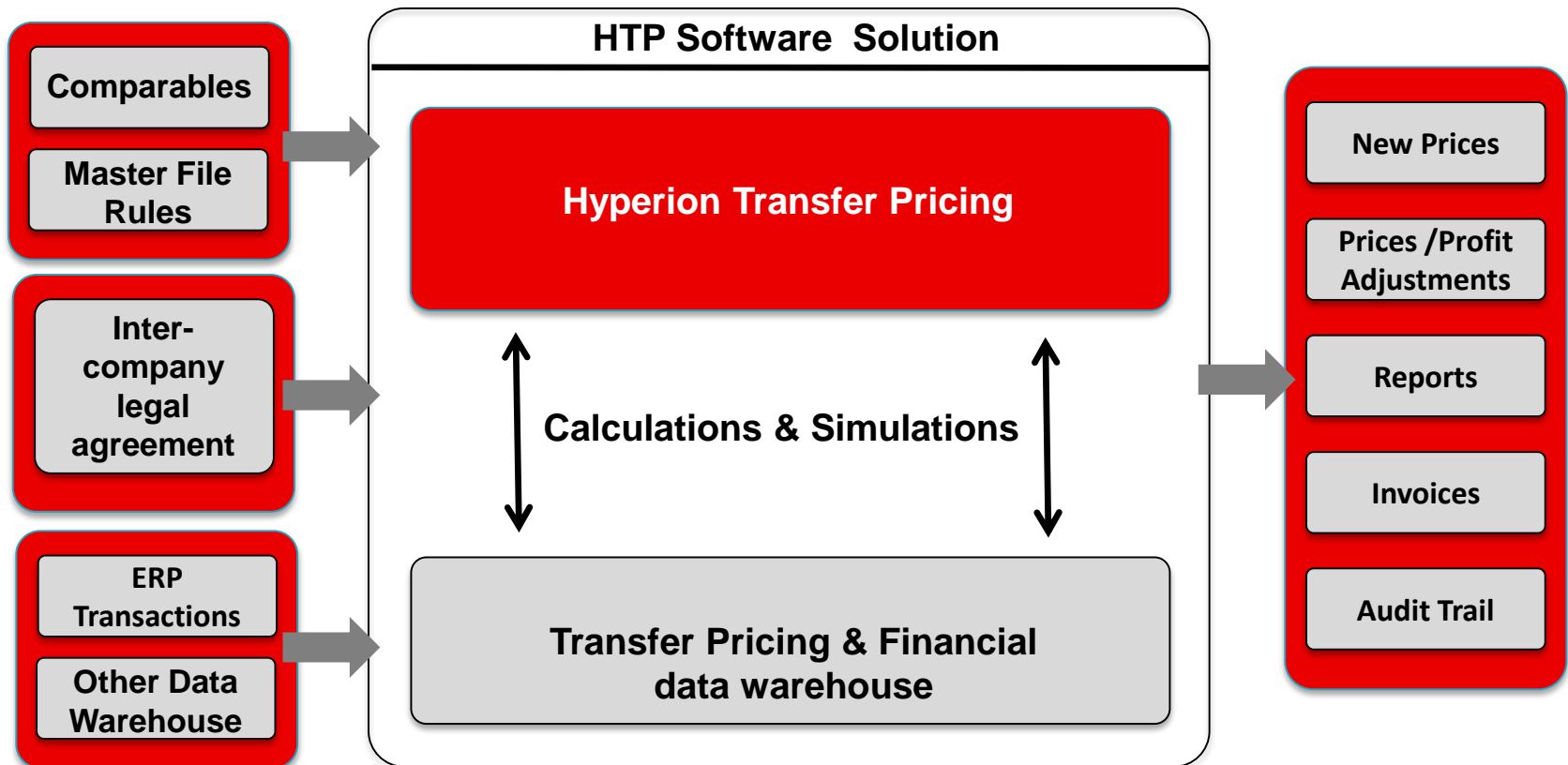
# The usual Transfer Pricing solution



- Data needed for tax reporting:
  - Doesn't exist, or
  - Isn't in the right format, or
  - Isn't accessible easily
  
- What needs to be done:
  - Manage Entity/tax structure against the data sources (G/L)  
→ make it available for tax users to model & report
  - Provide users with a professional & efficient environment  
→ user friendly and easy to manage software

# From input to output

**Bind Economic – Legal – Financial realities**  
**Build a consistent model with appropriate monitoring**



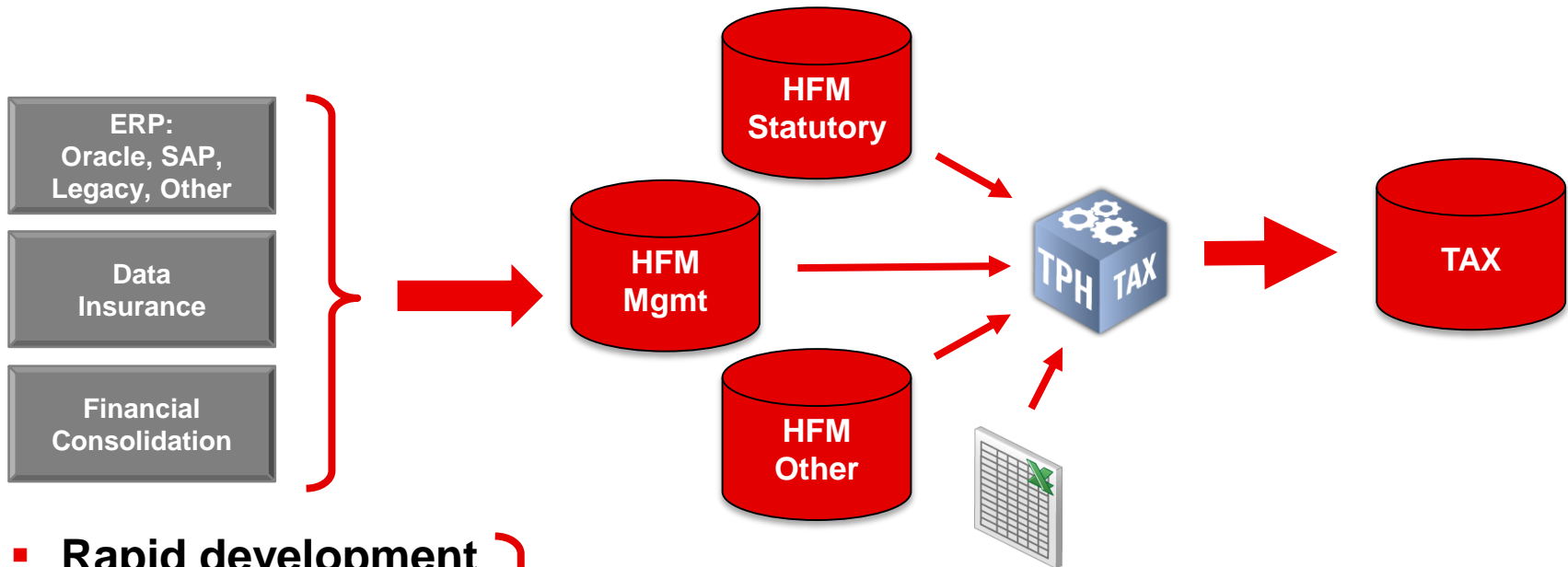
# The solution

Leverage a financial management solution (HFM) to become a usable **Tax Data Warehouse**

- **Centralize tax** data (retrieve/transform)
- Calculation & Simulation & Automation **made easy**
- **Versatile** & robust reporting



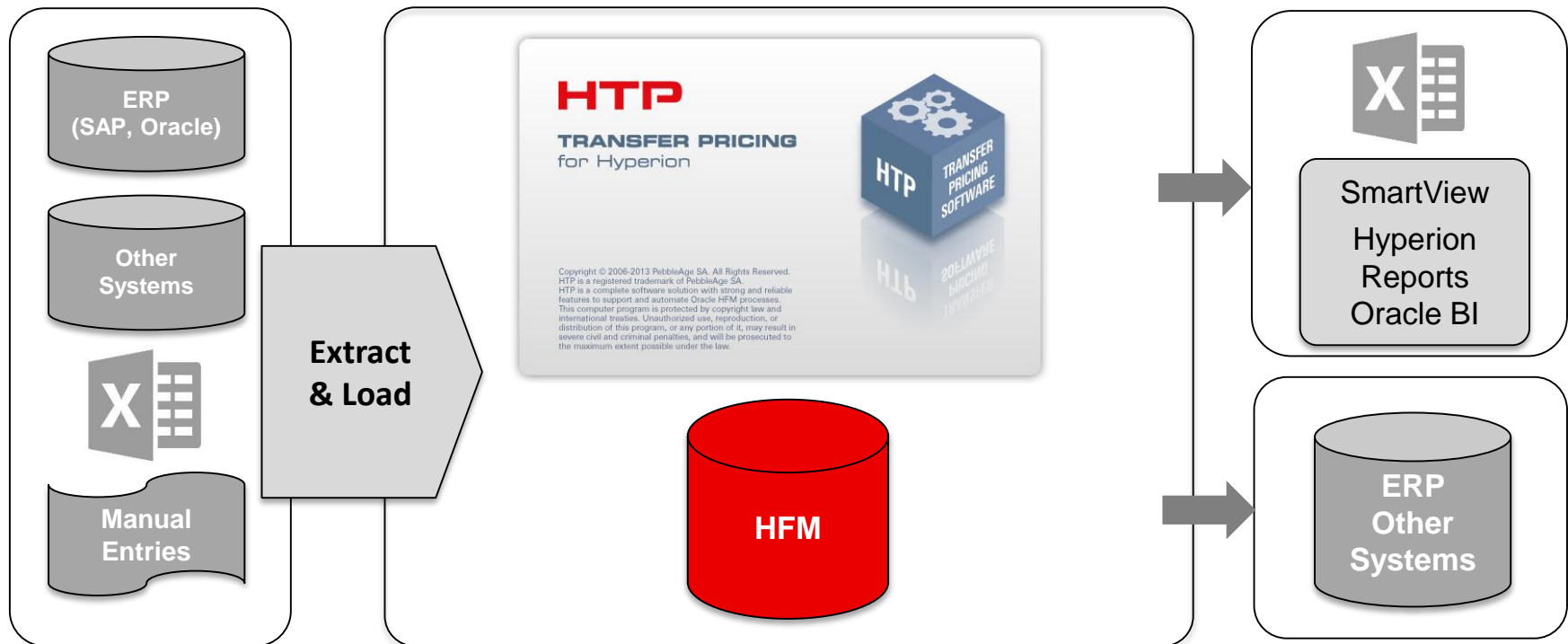
# Centralize & control all TP data



- Rapid development
- Rapid deployment
- Easy to use
- Easy to maintain
- Easy to understand

→ Builds on existing HFM investment  
→ Solves business issues, fast & efficient!

# System landscape of Transfer Pricing for Hyperion





# What's in ?

## *Rule repository*

Name:

Description:

- ▲  Hyperion Transfer Pricing RuleSet
  - ▲  HTP Cost Plus demo Sample
    - ▲  Transfer Pricing Cost Plus Rules
      - ▲  Switzerland IT recharge to Poland Production at Cost +10%
        - ▶  1 - Switzerland IT Cost Recharge to Poland Production
      - ▲  Poland Production Cost Plus recharge at 5% to EMEA Sales Entities based on user defined driver
        - ▶  2 - Poland Production Recharge to EMEA Sales Entities at Cost Plus

Name

Description

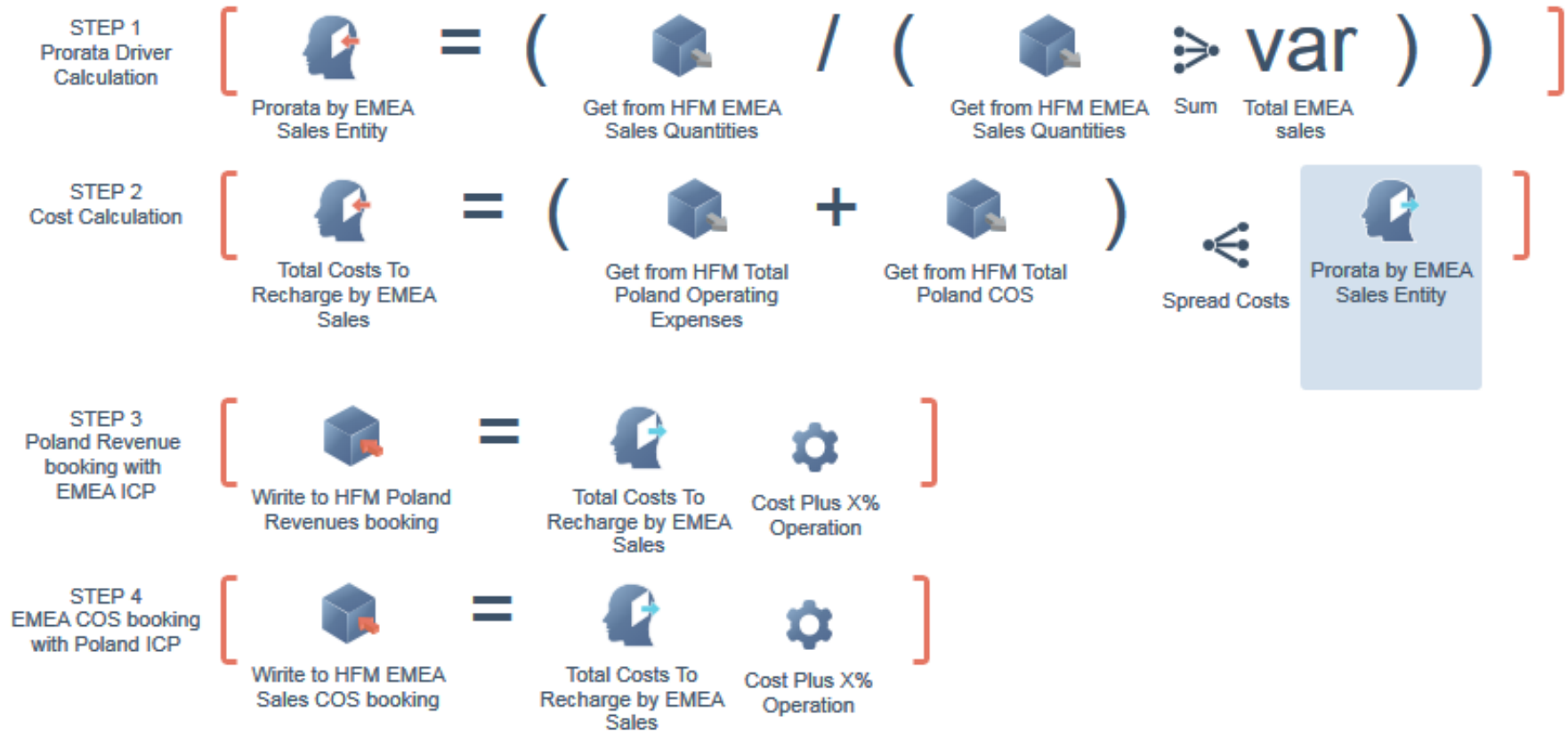
Rule Type

BusinessReason

▲ Related Data

Global Parameters

# Graphical Tax calculation engine



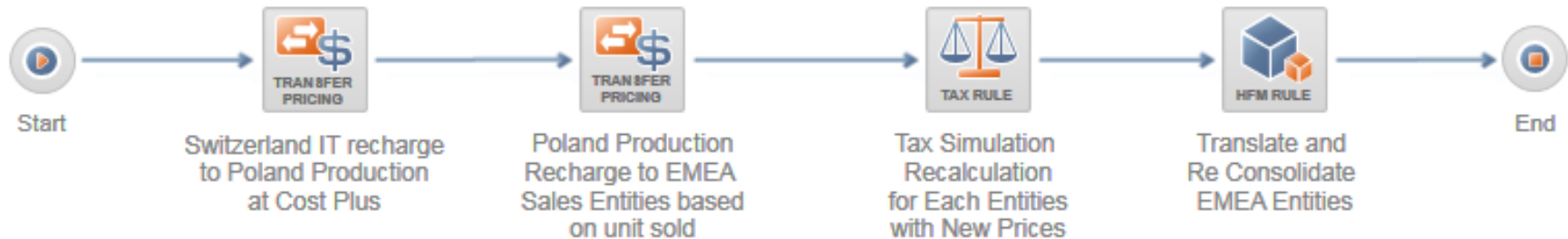
# Managing multiple sources

The screenshot displays the TPH application window. The title bar reads "TPH" and "Transfer Pricing for Hyperion". The user is identified as "User admin: Demo\_Multidatasources on Local HTPDemo on EPM11123, HTP6DIM on EPM11123". The interface includes a menu bar (File, View, Tools, Help) and a toolbar with options like "New Save Save As", "Delete all reports", "Execute Cancel", "View Audit Trail", "Close", "Add Context Tree", "Delete Context Tree", "Add Context", and "Delete Context".

The main workspace is divided into several panes:

- Toolbox:** Contains categories like "In Memory Management", "Formula Operations", and "Repository Operations".
- Metadata Explorer:** Shows a tree view with "Contexts" expanded, listing "HTPDemo on EPM11123" and "HTP6DIM on EPM11123".
- Context Editor:** The active pane, titled "Set values from a datasource to another". It shows a diagram with a "Global" node containing "Scenario - Actual View - Periodic", and two child contexts: "Context1" (ICP - [ICP None]) and "Context2" (ICP - E01\_0, Functions - [None], Origin - [None]). Below the diagram is an equation: "Set to a different datasource" = "Get from a datasource".
- Properties:** A "Misc" section with fields for Name, Description, BusinessReason, Category, Formula Parameter, Working Currency, and Related Information.
- Output/Executing:** A bottom pane with a "Clear Save" button.

# Process coordination & automation



# Audit trail

Execution Reporting and Rollback

Formula Reports Group by Process Instance

Related Operation Reports

Date	Process Name	Rule Name	Formula Name	Description
11/21/2011 12:22 AM	2 - Poland Production Recharge to EMEA Sales based on Unit Sold		Rollback	(9 items)
11/20/2011 11:58 PM	1 - Switzerland IT Recharge to Poland Production at Cost Plus		Rollback	(14 items)
11/20/2011 11:54 PM	0 - RESET Transfer Pricing Sample dataset		Rollback	(7 items)
11/20/2011 11:46 PM	2 - Poland Production Recharge to EMEA Sales based on Unit Sold		Rollback	(8 items)
11/20/2011 11:39 PM	1 - Switzerland IT Recharge to Poland Production at Cost Plus		Rollback	(3 items)
11/20/2011 11:39 PM	1 - Switzerland IT Rech...		4 - Consolidate & Trans...	
11/20/2011 11:39 PM	1 - Switzerland IT Rech...		3 - Recalculate Current...	
11/20/2011 11:39 PM	1 - Switzerland IT Rech...		1 - Switzerland IT costs...	
Related Operation Reports				
Date	Name	Description	Auditing Options	Rollback
11/20/2011 11:39 PM	Selling Prices for Switz...		Before	Rollback
11/20/2011 11:39 PM	Selling Prices for Switz...		After	Rollback
11/20/2011 11:39 PM	Bying Prices For POLA...		Before	Rollback
11/20/2011 11:39 PM	Bying Prices For POLA...		After	Rollback
11/20/2011 11:38 PM	0 - RESET Transfer Pricing Sample dataset		Rollback	(6 items)
11/20/2011 11:34 PM	1 - Switzerland IT Recharge to Poland Production at Cost Plus		Rollback	(12 items)



# TRANSFER PRICING for Hyperion

## Conclusion

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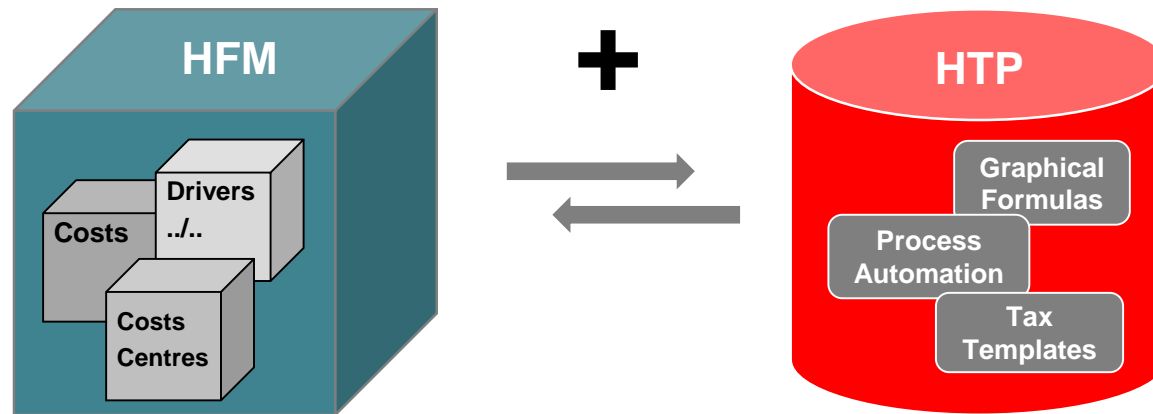
# Mastering the intercompany trade is key for getting Transfer Pricing under control.

→ We empower users to:

- Manage a central transfer pricing model by rules
- Express any related calculation logic
- Deploy flexible monitoring
- Coordinate & organize processes
- Provide audit trails for compliance

→ using a user friendly and easy to manage software

# Using HFM + HTP: A better support for tax & finance



**HFM + HTP → Dedicated Operational Transfer Pricing HFM add-on software**

→ Cost calculation & allocation logic is designed, managed and executed in TPH, using graphical & user friendly interfaces



# TRANSFER PRICING for Hyperion

## Country by Country (CbC) Reporting automation

- The demo: From actual data to CbC following a TP service recharge
  - Trial balance from accounting
    - Consolidation & reporting
  - Calculating Service Recharge
    - Applying recharge/adjustment
  - Monitoring final result & report
    - Assessing bottom-line impact

# Country by Country report

## Revenues & costs

### Related-third parties/tax jurisdictions

TPH TRANSFER PRICING for Hyperion	Eden Group International - Country-by-Country Report												
	Fiscal Year: 2009												
	Revenues Goods			Revenues Services			Profit (Loss) Before Income Tax	Income Tax Paid (on cash basis)	Income Tax Accrued – Current Year	Stated capital	Accumulated earnings	Number of Employees	Tangible Assets (other than Cash and Cash Equivalents)
Unrelated Party	Related Party	Total	Unrelated Party	Related Party	Total								
<b>EMEA</b>	<b>73,661,456</b>	-	<b>73,661,456</b>	<b>27,498,224</b>	-	<b>27,498,224</b>	<b>19,060,329</b>	<b>15,630,761</b>				<b>777</b>	
EMEA Corporate	-	-	-	-	-	-	(2,231,321)	-				32	
<b>Europe</b>	<b>64,821,278</b>	-	<b>64,821,278</b>	<b>26,342,615</b>	-	<b>26,342,615</b>	<b>16,610,303</b>	<b>14,949,294</b>				<b>673</b>	
<b>Denmark</b>	<b>5,955,790</b>	-	<b>5,955,790</b>	<b>3,466,827</b>	-	<b>3,466,827</b>	<b>3,438,178</b>	<b>1,273,362</b>				<b>241</b>	
Denmark Sales	5,955,790	-	5,955,790	3,466,827	-	3,466,827	3,438,178	1,273,362				241	
<b>Switzerland</b>	<b>8,181,704</b>	-	<b>8,181,704</b>	<b>6,133,913</b>	-	<b>6,133,913</b>	<b>(6,237,743)</b>	<b>866,977</b>				<b>264</b>	
Switzerland Sales	8,181,704	-	8,181,704	6,133,913	-	6,133,913	4,476,852	866,977				32	
Switzerland Admin	-	-	-	-	-	-	(10,714,595)	-				232	
Switzerland Admin Serv	-	-	-	-	-	-	(3,305,330)	-				97	
Switzerland IT	-	-	-	-	-	-	(1,500,674)	-				32	
Switzerland HR	-	-	-	-	-	-	(887,868)	-				32	
Switzerland Facilities	-	-	-	-	-	-	(916,788)	-				32	
Switzerland Finance	-	-	-	-	-	-	(1,671,630)	-				34	
Switzerland Accounting	-	-	-	-	-	-	(861,432)	-				13	
Switzerland Payroll	-	-	-	-	-	-	(710,199)	-				21	
Switzerland Marketing	-	-	-	-	-	-	(3,856,298)	-				42	
Switzerland Marketing Admin	-	-	-	-	-	-	(1,544,154)	-				21	
Switzerland Product Marketing	-	-	-	-	-	-	(2,312,144)	-				21	
Switzerland Cust Serv	-	-	-	-	-	-	(1,881,336)	-				58	
Switzerland Cust Serv Admin	-	-	-	-	-	-	(799,900)	-				26	
Switzerland Call Center	-	-	-	-	-	-	(1,081,436)	-				32	
<b>Germany</b>	<b>7,460,129</b>	-	<b>7,460,129</b>	<b>3,957,730</b>	-	<b>3,957,730</b>	<b>5,010,890</b>	<b>2,407,745</b>				<b>32</b>	
Germany Sales	7,460,129	-	7,460,129	3,957,730	-	3,957,730	5,010,890	2,407,745				32	
<b>Italy</b>	<b>5,211,041</b>	-	<b>5,211,041</b>	<b>5,540,822</b>	-	<b>5,540,822</b>	<b>(893,022)</b>	<b>1,967,713</b>				<b>163</b>	
Italy Sales	5,211,041	-	5,211,041	5,540,822	-	5,540,822	4,761,454	1,967,713				21	
Italy. Mfg Ops	-	-	-	-	-	-	(5,654,476)	-				132	

# Country by Country Report

## Business activities vs Constituent entities/Tax jurisdictions

TPH TRANSFER PRICING for Hyperion		Eden Group International - Country-by-Country Report														
		Fiscal Year 2009														
Tax Jurisdictions	Constituent Entities resident in the Tax Jurisdiction	Tax Jurisdiction of organisation or incorporation if different from Tax Jurisdiction of Residence	Main business activity(ies)													
			Research and Development	Holding or Managing intellectual property	Purchasing or Procurement	Manufacturing or Production	Sales, Marketing or Distribution	Administrative, Management or Supply Services	Provision of Services unrelated parties	Internal Group Finance	Regulated Financial Services	Insurance	Holding shares or oth equity instruments	Dormant	Other	
EMEA	EMEA Corporate															
Europe																
Denmark	Denmark Sales															
Switzerland	Switzerland Sales															
	Switzerland Admin															
	Switzerland Admin Serv															
	Switzerland IT															
	Switzerland HR															
	Switzerland Facilities															
	Switzerland Finance															
	Switzerland Accounting															
	Switzerland Payroll															
	Switzerland Marketing															
	Switzerland Marketing Admin															
	Switzerland Product Marketing															
	Switzerland Cust Serv															
	Switzerland Cust Serv Admin															
Switzerland Call Center																
Germany	Germany Sales															
Italy	Italy Sales															
	Italy: Mfg Ops															
Netherlands	Netherlands Sales															

# Contact



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# Thank you!

