



RELATED PARTY

A PROPRIETARY TAX-TECHNOLOGY
SOLUTION BY BDO INDIA

BDO in India
2024

Our **Technology Products and Solutions** are built to address the comprehensive tax needs of clients & businesses. In response to changing regulatory environments and growing business needs, our suite of products combines the experience of tax advisory through proprietary applications and products developed by the firm's in-house technology team.



A CLOUD- BASED SOLUTION FOR RELATED PARTY COMPLIANCE

Transfer Pricing Audit is an annual compliance requirement for an entity and needs to be compiled within Form 3CEB before the filing of the income tax return. Preparation of Form 3CEB is a time-consuming process, requiring critical analysis of the books of accounts and financial statements. Due to the volume and complexity of data coming from varied sources, the preparation of form 3CEB becomes challenging, often leading to delayed compliances.

Additionally, an auditor is required to certify the information reported in Form 3CEB, thus requiring the management to share the necessary details over email or through physical files for review and verification.

Our 'Related Party' solution is a comprehensive web-based solution that assists businesses in managing the reporting requirement of transfer pricing audit compliances. The solution automates data collation and processing through direct integration with ERP which in turn helps in eliminating the process of manual data entry and reduces the hours on manual procedures.

It also eliminates the need to share sensitive information over email, as the auditor would now be able to access the information through the tool. The Related Party solution also helps taxpayers to avoid penalties and fines by ensuring that compliances are completed timely.

CURRENT CHALLENGES FACED BY ORGANISATIONS WHILE COMPILING DATA FOR TRANSFER PRICING AUDIT COMPLIANCES:

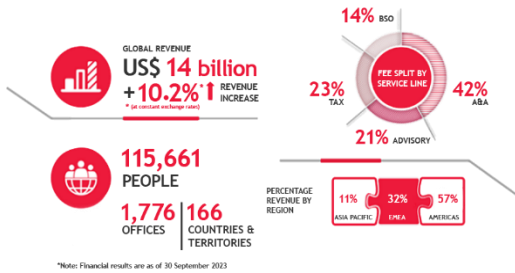
- ▶ **Voluminous Data:** Dealing with large volumes of data can be challenging, requiring extensive processing and analysis.
- ▶ **Unstructured and Complex Data:** Transfer pricing data is often unstructured and complex, making it difficult to extract meaningful insights and comply with reporting requirements.
- ▶ **Data From Multiple Sources:** Integrating data from multiple sources, such as financial statements, transactional records, and transfer pricing documentation, adds complexity and requires careful reconciliation.
- ▶ **Manual Documentation:** Manual preparation of transfer pricing documentation for each clause or requirement can be time-consuming, prone to errors, and difficult to manage.
- ▶ **Data-Sharing Issues:** Sharing data with the auditor through spreadsheets and PDFs can lead to version control issues, security concerns, and delays in communication.
- ▶ **Manual Data Compilation:** Relying on manual procedures for data compilation, analysis, and documentation can result in delays, impacting the timely completion of transfer pricing compliance.
- ▶ **Storage and management of data:** Proper storage and management of historical data and working documents are crucial for managing transfer pricing litigation and referencing past audit information.

WHY BDO INDIA'S RELATED PARTY SOLUTION

Cloud-based Solution Automate the reporting requirement of Form 3CEB through a secure and accessible cloud-based platform.	Master Data Management Efficiently manage master data, ensuring accuracy and consistency throughout the transfer pricing filing process.	Global Setup for Reportable Transactions Identify reportable transactions for various clauses through a global setup, ensuring accurate compliance.
In-built Logics for Processing Utilise in-built logics to process books of accounts and financial statements for reportable transactions, ensuring accurate analysis.	Secure Information Exchange Eliminate the need to send sensitive information and documents over email, ensuring data security and confidentiality.	Maker Checker Functionality Incorporate a maker-checker functionality for better management, allowing for thorough verification and validation of data within business teams & with the auditor.
Penalty Avoidance Help taxpayers avoid penalties and fines by ensuring accurate compliance with transfer pricing regulations.	ERP Data Extraction Automation Automate the extraction of data from ERP systems, saving time and effort in data collection.	Clause-wise Report Generation Generate clause-wise reports in the format required by the government utility, ensuring accurate and standardised reporting.
Historical Data and Document Storage Store historical data and working documents to effectively manage litigation and reference past audit information.	Time-saving and Increased Efficiency Saves time and increase efficiency by automating processes, minimising manual intervention and the risk of errors.	Summary Dashboards and Quick Stats Provide summary dashboards and quick statistics to check the status and completeness of clauses, facilitating efficient monitoring.
Rule-Based Engine A unique approach of setting-up a rule-based engine for identifying the transactions at clause level.	Comparative Analysis Comparative analysis of current and previous year's data helps users to identify any apparent omissions.	

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BDO is a leading professional services organisation with a presence in 160+ countries and over 115,600 people working out of more than 1,750 offices. We endeavor to deliver an exceptional client experience through a tailored solutions approach, while partnering with our employees and clients globally.



ABOUT BDO IN INDIA

BDO in India offers Assurance, Tax, Advisory, Business Services & Outsourcing and Digital Services for both domestic and international clients across industries. The team at BDO in India consists of over 9,000 professionals led by more than 300 partners and directors operating out of 18 offices, across 12 key cities.



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CONTACT US

For any content related queries, you may write in to taxadvisory@bdo.in or get in touch with,

SHASHIDHAR JAYARAMAN

Chief Business Officer
 Tax Tech & Outsourcing
shashidharjayaraman@bdo.in

PARIJAT PARIMAL

Partner & Sales Lead Large Accounts
 Technology Products & Solutions
 BDO Digital
parijatparimal@bdo.in

NIKHIL DHARIWAL

Associate Partner
 Technology Products & Solutions
 BDO Digital
nikhildhariwal@bdo.in

Ahmedabad | Bengaluru | Chandigarh | Chennai | Coimbatore | Delhi | Goa | Hyderabad | Kochi | Kolkata | Mumbai | Pune

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