
INTERNATIONAL TAX
CASE SUMMARY

CZECHIA VS RR DONNELLEY

FEBRUARY 2025

ACADEMY OF TAX LAW

PUBLISHING SERVICES

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First Edition Published on 06 March 2025

Published by Academy Of Tax Law

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HEAD OF ACADEMICS



Welcome to the Academy of Tax Law's case and judgment summaries. These documents have been carefully curated to support professionals, students, and researchers navigating the complex landscape of international tax and transfer pricing. At the Academy, we understand that tax law is ever-evolving, with key rulings continuously shaping its practice.

Each summary you'll find here is designed to provide not just the facts, but the context and implications of pivotal legal decisions. These case summaries are created to serve as a valuable resource for legal teams, multinationals, revenue authorities, and academics, offering insights that go beyond the surface. Our goal is to ensure you remain informed and prepared, whether you are dealing with tax planning, dispute resolution, or risk management.

We believe that knowledge is the foundation of sound decision-making, and with these resources, we hope to empower you in your professional journey. As you delve into the analysis, remember that staying ahead in tax law requires not just understanding the rules but how to apply them in a dynamic, global environment.

Thank you for choosing the Academy of Tax Law as your partner in this ongoing learning experience.

Sincerely,
Dr. Daniel N Erasmus

PART 1

SUMMARY

JUDGEMENT SUMMARY

CASE OVERVIEW

Court:	Supreme Court of the Czech Republic
Case No:	7 Afs 31/2024 - 27
Applicant:	RR Donnelley Czech s.r.o.
Defendant:	Odvolací finanční ředitelství (Czech Tax Appeals Directorate)
Judgment Date:	28 February 2025
Full Judgment:	CLICK FOR FULL JUDGMENT
View Online:	CLICK TO VIEW SUMMARY ONLINE

JUDGMENT SUMMARY

The case Czech Republic vs. RR Donnelley Czech s.r.o. revolved around a transfer pricing dispute concerning the application of Section 23(7) of the Czech Income Tax Act (ITA). The core issue was whether RR Donnelley Czech s.r.o. had correctly applied the arm's length principle in a transaction involving the purchase of hard disk drives (HDDs) on behalf of Banta Ireland, a related entity.

The Specialised Tax Office initially assessed RR Donnelley Czech for an additional corporate income tax liability of CZK 61,650, along with a 20% penalty of CZK 12,312, arguing that the transaction had not been conducted at arm's length. The company appealed to the Regional Court in Brno, which annulled the tax authority's decision, citing insufficient justification for the reference price used by the tax administration.

The Czech Tax Appeals Directorate (Odvolací finanční ředitelství) then challenged the Regional Court's decision before the Supreme Administrative Court (SAC). The SAC dismissed the appeal, upholding the lower court's finding that the tax authorities failed to establish a valid reference price and did not conduct an adequate comparability analysis.

The core arguments in the case centered around the methodology used to determine a reference price. The tax authorities applied the USD LIBOR rate to determine an appropriate interest rate for the transaction, arguing that the purchase of HDDs was essentially a risk-free financial arrangement. RR Donnelley Czech, however, challenged this, arguing that:

1. The transaction was not risk-free, as the company was involved in manufacturing activities and held inventory as part of its operational business model.

2. The USD LIBOR rate was inappropriate, as neither RR Donnelley Czech nor Banta Ireland were banking institutions engaged in short-term interbank transactions.
3. The tax authorities failed to conduct a proper benchmarking study, and their approach lacked economic justification.

The Supreme Administrative Court ruled in favour of RR Donnelley Czech, concluding that the tax authorities had not provided adequate reasoning to justify their adjustments. The absence of comparable transactions should have led the tax administration to either conduct a more thorough economic analysis or select an alternative benchmarking method. The court reiterated that under Czech law, the burden of proof lies with the tax administration when making transfer pricing adjustments.

By dismissing the appeal, the SAC confirmed that the tax authority's decision was unreviewable due to lack of reasoning, reinforcing the need for tax authorities to adhere to robust transfer pricing documentation and comparability analysis standards.

The judgment is significant because it highlights:

- The importance of proper benchmarking and comparability analysis in transfer pricing disputes.
- The role of the courts in ensuring tax authorities follow appropriate methodologies when assessing intra-group transactions.
- The limitations of using financial reference rates like USD LIBOR in non-financial transactions.

RR Donnelley Czech was awarded legal costs of CZK 4,114, to be paid by the tax authority within 30 days. The ruling cannot be appealed, making it a final decision in the dispute.

KEY POINTS OF THE JUDGMENT

BACKGROUND

The case Czech Republic vs. RR Donnelley Czech s.r.o. originated from a transfer pricing dispute between the Czech tax authorities and the multinational corporation's Czech subsidiary. The dispute centered around an intra-group transaction involving the purchase of hard disk drives (HDDs) for Banta Ireland, a related entity.

Timeline of Events:

- 2015: RR Donnelley Czech engaged in transactions involving the procurement of HDDs on behalf of Banta Ireland.
- February 2021: The Specialised Tax Office assessed an increase in RR Donnelley Czech's taxable income by CZK 61,650, arguing that the prices used in the transaction were not at arm's length under Section 23(7) of the Czech Income Tax Act (ITA). Additionally, a 20% penalty of CZK 12,312 was imposed.
- September 2022: The Czech Tax Appeals Directorate (Odvolací finanční ředitelství) upheld the tax assessment, maintaining that the reference price was correctly determined using the USD LIBOR interest rate as a risk-free benchmark.
- January 2024: RR Donnelley Czech appealed the decision to the Regional Court in Brno, which ruled in its favor,

annulling the tax authority's decision and ordering a reassessment.

- February 2025: The Czech Tax Appeals Directorate challenged the lower court's ruling before the Supreme Administrative Court (SAC), which ultimately dismissed the appeal.

Key Legal Framework Involved:

- Section 23(7) of the Czech ITA: This provision allows tax authorities to adjust taxable income when transactions between related parties deviate from what would have been agreed at arm's length.
- OECD Transfer Pricing Guidelines: The case involved determining whether the tax authority correctly applied transfer pricing principles in line with OECD recommendations.
- Czech Administrative Procedure Code: The dispute also focused on whether the tax authority fulfilled its burden of proof in justifying the adjustments.

The main contention was whether the transaction should be treated as a financial arrangement or an operational procurement, with implications for how the reference price was determined.

KEY POINTS

OF THE JUDGMENT

CORE DISPUTE

The core dispute in *Czech Republic vs. RR Donnelley Czech s.r.o.* revolved around the determination of the arm's length price for a related-party transaction involving the purchase of hard disk drives (HDDs) by RR Donnelley Czech for its affiliate, Banta Ireland. The Czech tax authorities argued that the transaction was akin to a financial arrangement, while RR Donnelley Czech contended that it was a standard procurement transaction within its operational business model.

Key Issues in Dispute

1. Nature of the Transaction

- The tax authorities recharacterized the purchase of HDDs as a risk-free financial arrangement, arguing that RR Donnelley Czech was merely holding stock on behalf of Banta Ireland, comparable to a deposit of funds valued at interest.
- The company, however, asserted that the transaction was part of its ordinary course of business, and its pricing reflected a manufacturing and distribution function rather than a financial one.

2. Application of USD LIBOR as a Reference Price

- The tax authorities used USD LIBOR (London Interbank Offered Rate) as the benchmark for determining an appropriate return on the transaction, claiming that it was the most appropriate risk-free market rate.
- RR Donnelley Czech challenged this, arguing that USD LIBOR is a short-term interbank lending rate, irrelevant to its procurement and manufacturing activities.

3. Comparability Analysis & Burden of Proof

- The tax authorities failed to provide sufficient justification for their pricing adjustments, neither conducting a proper benchmarking study nor selecting a valid set of comparable transactions.
- The burden of proof lies with the tax authorities to demonstrate that the transaction price deviated from arm's length standards—something they failed to do, according to the Supreme Administrative Court (SAC).

The dispute ultimately centered on the methodology used for pricing adjustments, with the SAC ruling that the tax authorities had not met the necessary evidentiary standards.

KEY POINTS

OF THE JUDGMENT

COURT FINDINGS

The SAC ruled in favor of RR Donnelley Czech s.r.o., dismissing the tax authorities' appeal on the grounds of insufficient justification and improper comparability analysis. The court's findings centered on three key aspects:

1. Failure to Properly Justify the Reference Price

The Czech tax authorities applied the USD LIBOR rate to determine the arm's length price of the transaction, asserting that the purchase of HDDs was akin to a risk-free financial arrangement rather than a standard procurement. The SAC, however, found this reasoning to be unsubstantiated and flawed, stating that:

- Neither RR Donnelley Czech nor Banta Ireland are banking institutions, making the use of a short-term interbank lending rate inappropriate.
- The tax authorities failed to provide a robust economic rationale for applying the USD LIBOR rate instead of a market-based transfer pricing method.

2. Lack of a Proper Comparability Analysis

The Regional Court in Brno had previously ruled that the tax authorities did not conduct

a sufficient benchmarking study to determine a valid reference price. The SAC agreed, noting that:

- The tax authorities did not select an appropriate sample of comparable transactions, nor did they explain why a suitable sample could not be found.
- The burden of proof rests with the tax authorities, yet they failed to demonstrate how the pricing used by RR Donnelley Czech deviated from arm's length principles.

3. Noncompliance with OECD TP Standards

The SAC highlighted the importance of the OECD Transfer Pricing Guidelines, which emphasize the need for reliable comparability analysis and economic justification. The tax authorities' failure to adhere to these principles rendered their decision unreviewable, leading to the dismissal of the appeal.

In conclusion, the SAC found that the tax authorities had not met the necessary legal and economic standards, reaffirming the lower court's decision in favor of RR Donnelley Czech.

KEY POINTS OF THE JUDGMENT

OUTCOME

The Supreme Administrative Court (SAC) of the Czech Republic ultimately dismissed the appeal filed by the Czech Tax Appeals Directorate (Odvolací finanční ředitelství), upholding the Regional Court in Brno's decision in favor of RR Donnelley Czech s.r.o..

Key Aspects of the Judgment Outcome:

Rejection of the Tax Authorities' Approach

- The SAC ruled that the tax authorities failed to meet the evidentiary burden required to justify the transfer pricing adjustment.
- The application of the USD LIBOR rate as a reference price was deemed inappropriate, as neither RR Donnelley Czech nor Banta Ireland were engaged in interbank lending activities.
- The failure to conduct a proper benchmarking study made the tax authority's approach unreviewable, reinforcing the importance of robust economic justifications in transfer pricing cases.

Implications for RR Donnelley Czech

- The corporate income tax adjustment

of CZK 61,650 and penalty of CZK 12,312 were annulled, restoring the company's original tax position.

- The company was awarded legal costs of CZK 4,114, payable by the tax authority within 30 days.

Finality of the Decision

- The SAC's ruling cannot be appealed, making this the final judgment in the case.
- The ruling establishes an important precedent for future transfer pricing disputes in the Czech Republic, particularly regarding comparability analysis and the application of financial benchmarks in non-financial transactions.

Key Takeaway

This ruling reinforces the requirement for tax authorities to follow OECD-aligned transfer pricing methodologies and properly justify pricing adjustments through economic analysis rather than arbitrary financial benchmarks. The burden of proof remains on tax authorities, ensuring that multinational corporations (MNEs) are protected against unfounded adjustments.

TP METHOD HIGHLIGHTED (IF ANY)

The core transfer pricing issue in Czech Republic vs. RR Donnelley Czech s.r.o. revolved around the lack of an appropriate method for determining the arm's length price of the disputed transaction. While the tax authorities attempted to apply a financial reference rate (USD LIBOR), this approach was ultimately rejected by the Supreme Administrative Court (SAC) due to its lack of relevance to the nature of the transaction.

What Transfer Pricing Method Was Used?

The Czech tax authorities did not apply a standard transfer pricing method as outlined in the OECD Transfer Pricing Guidelines. Instead, they:

1. Recharacterized the transaction as a financial arrangement, arguing that RR Donnelley Czech was effectively providing a risk-free loan to its related entity, Banta Ireland.
2. Applied USD LIBOR as a reference price, asserting that this was the appropriate risk-free rate of return for the funds tied up in the HDD purchase.

Why Was This Approach Problematic?

The SAC found multiple flaws in the tax authorities' pricing methodology:

- **Incorrect Recharacterization:** The transaction did not involve lending or financing, but rather the procurement of inventory as part of an operational supply chain.
- **Failure to Apply a Recognized Transfer Pricing Method:** The tax authorities did not conduct a benchmarking study or apply any of the five OECD-accepted transfer pricing methods:

- Comparable Uncontrolled Price (CUP) Method
- Resale Price Method
- Cost Plus Method
- Transactional Net Margin Method (TNMM)
- Profit Split Method
- **Misuse of Financial Benchmarks:** USD LIBOR is a short-term interbank lending rate, inappropriate for valuing inventory-related transactions in a manufacturing setting.

What Should Have Been Done?

To ensure compliance with OECD-aligned transfer pricing standards, the tax authorities should have:

1. Conducted a proper comparability analysis to identify similar third-party transactions.
2. Applied an appropriate OECD transfer pricing method, such as:
 - Cost Plus Method, to determine whether RR Donnelley Czech's mark-up on costs was at arm's length.
 - Transactional Net Margin Method (TNMM), by comparing the company's operating margin to similar independent manufacturers.

Final Ruling on TP Methodology

The SAC ruled that the tax authorities failed to justify their approach, making the assessment unreviewable. The judgment reinforces the need for robust transfer pricing documentation, proper benchmarking studies, and the application of OECD-accepted methods to avoid arbitrary tax adjustments.

PART 2

SIGNIFICANCE

MAJOR ISSUES

AREAS OF CONTENTION

The case raised several critical legal, economic, and procedural issues, particularly regarding the application of transfer pricing rules and the burden of proof in tax disputes. The Supreme Administrative Court (SAC) identified multiple areas where the tax authorities failed to meet the required standard of justification, leading to the dismissal of their appeal.

1. Mischaracterization of the Transaction

One of the most significant points of contention was how the tax authorities classified the transaction:

- The tax authorities recharacterized the purchase of HDDs as a financial arrangement, arguing that RR Donnelley Czech was effectively providing a risk-free loan to its related entity, Banta Ireland.
- The company disputed this claim, asserting that the transaction was part of its ordinary procurement and manufacturing operations.
- The SAC sided with RR Donnelley Czech, emphasizing that the burden of proof lies with the tax authorities when making such claims.

2. Application of USD LIBOR as a Benchmark

- The tax authorities used the USD LIBOR rate to determine a reference price, arguing that this was the most appropriate risk-free market rate.
- The SAC rejected this approach, stating that USD LIBOR is a short-term interbank lending rate and inappropriate for evaluating inventory-related transactions in a manufacturing context.
- The failure to apply a recognized OECD transfer pricing method further weakened the tax authority's case.

3. Lack of Proper Comparability Analysis

- The tax authorities did not conduct a sufficient benchmarking study or select a valid set of comparable transactions.
- The SAC ruled that the absence of a proper comparability analysis rendered the tax authority's decision unreviewable.

This case highlights fundamental issues in tax administration, particularly regarding the misapplication of financial benchmarks, the recharacterization of transactions, and the lack of a structured comparability analysis. The ruling reinforces the importance of applying OECD-compliant transfer pricing methods and ensuring that tax authorities meet their burden of proof in disputes.

EXPECTED OR CONTROVERSIAL?

The Supreme Administrative Court's (SAC) ruling in *Czech Republic vs. RR Donnelley Czech s.r.o.* was largely expected within the transfer pricing and tax community. However, it carried significant implications due to the issues it addressed regarding tax authority practices, benchmarking methods, and transaction recharacterization.

Why the Decision Was Expected

1. Failure to Meet the Burden of Proof

- Under OECD Transfer Pricing Guidelines and Czech tax law, the burden of proof in tax adjustments rests with the tax authorities.
- The failure to establish a valid reference price and justify the use of USD LIBOR made the tax authority's position untenable.
- The Regional Court had already ruled against the tax authorities, and the SAC's decision reaffirmed this by holding them accountable for inadequate documentation and economic reasoning.

2. Rejection of an Inappropriate Benchmark

- The use of USD LIBOR in a non-financial transaction was problematic from the outset.
- Courts have consistently ruled that financial benchmarks should only be applied in cases where they accurately reflect the transaction's risk profile.
- The SAC followed established OECD principles, which require a comparability

analysis using similar transactions from independent entities.

Why the Decision Could Be Considered Controversial

1. Challenge to Tax Authority Practices

- The ruling effectively criticized the Czech tax administration's methodology, setting a higher standard for future transfer pricing audits.
- It highlighted the lack of detailed economic analysis in tax authority assessments, which may lead to increased scrutiny of past transfer pricing adjustments.

2. Potential Precedent for Other MNE Cases

- The decision reinforces taxpayer rights and may encourage other MNEs to challenge tax assessments where comparability analysis is weak.
- This could limit the tax authorities' ability to apply financial benchmarks arbitrarily, potentially leading to changes in audit practices.

Final Assessment

While the ruling aligns with OECD principles, its impact on future tax audits and dispute resolution makes it highly significant. It sets a precedent that tax authorities must adhere to robust economic analysis and justify adjustments with appropriate methodologies.

SIGNIFICANCE FOR MULTINATIONALS

The SAC's decision in *Czech Republic vs. RR Donnelley Czech s.r.o.* carries major implications for multinational enterprises (MNEs) engaged in intra-group transactions and transfer pricing compliance. The ruling strengthens the importance of economic justification and proper documentation in defending transfer pricing positions.

1. Strengthening the Arm's Length Principle

- The SAC reaffirmed that transfer pricing adjustments must be based on proper comparability analysis, in line with OECD Transfer Pricing Guidelines.
- This case signals to MNEs that tax authorities must demonstrate clear economic reasoning when making pricing adjustments, ensuring that any deviation from the arm's length standard is well-supported.

2. Protection Against Arbitrary Adjustments

- The ruling limits the ability of tax authorities to impose financial benchmarks (such as USD LIBOR) in non-financial transactions.
- MNEs involved in procurement, contract manufacturing, or intercompany financing arrangements can challenge arbitrary pricing adjustments where tax authorities fail to use a proper OECD-aligned method.

3. Importance of Transfer Pricing Documentation

- This case reinforces the need for robust transfer pricing documentation to preempt disputes.
- MNEs should ensure:
 - A clear economic rationale for intra-group pricing decisions.
 - Proper comparability studies with independent transactions.
 - Avoidance of financial benchmarks unless they align with the transaction's economic substance.

4. Risk Mitigation in Tax Audits

- The ruling sets a precedent for MNEs operating in the Czech Republic and other jurisdictions where tax authorities may attempt to recharacterize transactions.
- MNEs should implement strong tax governance frameworks, including pre-audit risk assessments and engagement with external tax advisors.

This case highlights the growing judicial scrutiny of tax authority practices and reinforces the need for MNEs to proactively manage transfer pricing risks. Ensuring compliance with OECD guidelines, proper benchmarking, and a well-documented pricing rationale is essential to minimizing exposure to tax disputes.

SIGNIFICANCE

FOR REVENUE SERVICES

The Supreme Administrative Court's (SAC) decision in Czech Republic vs. RR Donnelley Czech s.r.o. has significant implications for tax authorities, particularly in the areas of transfer pricing enforcement, compliance, and procedural standards. The ruling serves as a critical reminder of the need for tax authorities to adhere to internationally accepted principles when conducting audits and making adjustments.

1. Reinforcement of the Burden of Proof

- The judgment underscores that tax authorities bear the burden of proof when making transfer pricing adjustments.
- In this case, the Czech tax authorities failed to justify their pricing methodology, leading to the dismissal of their assessment.
- This sets a higher evidentiary standard for future transfer pricing cases, requiring revenue services to conduct detailed comparability analyses before imposing adjustments.

2. Limitations on Arbitrary Pricing Adjustments

- The court rejected the use of USD LIBOR as a financial benchmark, reinforcing that tax authorities must apply OECD-recognized transfer pricing methods.
- This ruling restricts the ability of tax authorities to use financial reference rates in non-financial transactions, preventing mischaracterization of business operations.

3. Strengthening Compliance with OECD Transfer Pricing Guidelines

- The failure of the tax authorities to apply a proper comparability study was a central reason for the court's decision.
- Moving forward, revenue authorities must align their transfer pricing audits with OECD Transfer Pricing Guidelines, ensuring that adjustments are based on:
 - Comparable independent transactions.
 - A structured economic analysis.
 - Proper documentation and benchmarking studies.

4. Implications for Audit Procedures

- The ruling may change the approach of tax audits in the Czech Republic and other jurisdictions by emphasizing:
 - The need for tax authorities to provide reasoned, well-documented assessments.
 - The importance of maintaining transparency in transfer pricing audits to avoid judicial rejection of tax assessments.

The SAC's decision acts as a warning to tax authorities that failing to apply rigorous economic analysis in transfer pricing cases can lead to dismissal of assessments and legal costs. This ruling will likely influence future transfer pricing audits by emphasizing the importance of OECD-aligned methodologies and structured comparability analysis.

RELEVANT CASES

GENERAL ELECTRIC VS CANADA

General Electric Capital Canada (GEC Canada) received intra-group financing from its parent company at an interest rate below the market rate. The Canadian tax authorities argued that the interest rate should reflect a fully independent financing arrangement.

Just as GEC Canada successfully defended its interest rate, RR Donnelley Czech challenged the tax authority's use of USD LIBOR, demonstrating that an inappropriate benchmark can lead to flawed assessments.

[Click here to read our summary of this case](#)

COCA-COLA VS USA

The IRS challenged Coca-Cola's transfer pricing arrangement with its foreign affiliates, arguing that it underreported taxable income by allocating excessive profits to its foreign subsidiaries.

Both cases highlight the risks of misapplying transfer pricing methods. The Czech tax authorities' failure to apply a proper method echoes Coca-Cola's dispute over which approach best reflects arm's length pricing.

[Click here to read our summary of this case](#)

GLENCORE VS AUSTRALIA

The Australian Taxation Office (ATO) challenged Glencore's pricing of copper concentrate sales to its Swiss parent entity.

Both cases emphasize the importance of taxpayer documentation in defending transfer pricing policies. Just as Glencore successfully countered an arbitrary tax assessment, RR Donnelley Czech overcame an unfounded tax authority adjustment based on flawed comparability analysis.

[Click here to read our summary of this case](#)

PART 3

PREVENTION

The case highlights why multinational enterprises (MNEs) must proactively engage international tax experts to manage transfer pricing risks and compliance. As tax authorities worldwide intensify scrutiny on intra-group transactions, proper tax risk management is critical.

1. Ensuring Compliance with OECD Guidelines

- International tax experts help MNEs structure their transactions in alignment with OECD Transfer Pricing Guidelines, reducing the risk of disputes.
- In this case, the tax authorities failed to justify their pricing adjustments, reinforcing that MNEs must have solid documentation and comparability studies in place.

2. Defending Against Arbitrary Tax Adjustments

- Tax authorities often apply aggressive tax adjustments, as seen in this case where USD LIBOR was misused as a benchmark.
- Engaging experienced tax professionals ensures that MNEs can challenge flawed assessments based on solid economic

analysis.

3. Strengthening Transfer Pricing Documentation

- Tax experts assist in preparing robust documentation, including:
 - Comparability studies
 - Functional analysis
 - Defensible pricing methodologies
- Proper documentation helps mitigate audit risks and prevent unnecessary disputes.

4. Navigating Cross-Border Tax Challenges

- International tax specialists provide strategic insights on how different jurisdictions apply transfer pricing rules.
- By anticipating risks, MNEs can implement proactive tax planning strategies.

This case underscores that MNEs must engage tax professionals to manage transfer pricing risks, comply with regulations, and defend their positions effectively. Having expert guidance is not just a best practice—it is essential for avoiding costly disputes and ensuring global tax compliance.

PREVENTATIVE MEASURES TO AVOID SIMILAR CASES

The case highlights the importance of proactive tax risk management and structured governance in transfer pricing. To avoid or better manage similar disputes, multinational enterprises (MNEs) must implement robust tax strategies, including tax steering committees and compliance frameworks.

Tax Risk Management Framework:

- Establish policies to ensure compliance with domestic and international tax laws.
- Conduct regular audits to identify and address potential vulnerabilities, such as treaty reliance without adequate substance.

Engaging in Advance Pricing Agreements (APAs)

- APAs provide certainty on transfer pricing arrangements, minimizing future disputes.
- Proactively securing an APA with tax authorities could have prevented the

litigation in this case.

Strengthening Transfer Pricing Documentation

- Proper documentation is a key defense against arbitrary tax adjustments.
- MNEs should:
 - Conduct comprehensive comparability studies.
 - Use OECD-approved transfer pricing methods instead of relying on financial benchmarks like USD LIBOR.
 - Document economic justifications for intra-group pricing.

This case reinforces the critical need for structured tax governance and proactive risk management. By implementing tax steering committees, maintaining robust documentation, and securing APAs, MNEs can reduce exposure to costly tax disputes and enhance compliance certainty.

DOWNLOAD FREE BOOK

[TAX INTELLIGENCE: THE 7 HABITUAL TAX MISTAKES MADE BY COMPANIES](#)

Tax Intelligence: The 7 Habitual Tax Mistakes Made by Companies” by Dr. Daniel N. Erasmus is a must-read for businesses seeking to navigate the intricate world of tax compliance and risk management. By highlighting common pitfalls and offering strategic solutions, Erasmus equips companies with the knowledge to improve their tax practices and secure financial stability.

PREVENTATIVE MEASURES TO AVOID SIMILAR CASES

TAX STEERING COMMITTEE

Establishing a tax steering committee can help ensure that tax policies are aligned with the broader business strategy and that transactions are vetted for both commercial and tax implications. A tax steering committee can:

- A Tax Steering Committee ensures that transfer pricing decisions align with OECD guidelines and local regulations.
- A well-structured committee:
 - Reviews intra-group transactions

proactively.

- Conducts risk assessments before audits arise.
- Coordinates with external tax advisors and legal teams.
- Had such a framework been in place, RR Donnelley Czech could have strengthened its position by preemptively challenging the tax authorities’ benchmarking approach.

DOWNLOAD FREE E-BOOK

[DRIVING TAX COMPLIANCE: THE ESSENTIAL ROLE OF THE TAX STEERING COMMITTEE](#)

The eBook “Driving Tax Compliance: The Essential Role of a Tax Steering Committee” by Prof. Dr. Daniel N. Erasmus, Renier van Rensburg, and Gilbert Ferreira, emphasizes the critical importance of establishing a Tax Steering Committee (TSC) within multinational corporations to ensure tax compliance and manage tax-related risks effectively.

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CASE SUMMARY

ACADEMY OF TAX LAW

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