



## What is a benchmarking study?

In general terms, benchmarking is a way of discovering what is the best performance that is achieved – whether in a particular company, by a competitor or by the entire industry. This information can then be used to identify gaps in an organization's processes in order to achieve a competitive advantage.

In transfer pricing, benchmarking refers to

- (i) the search for companies that perform similar activities as the company for which an arm's-length remuneration needs to be determined, usually referred to as the “tested party” and
- (ii) establishing the arm's length profits of the “tested party” by reference to the profitability of the companies that perform similar activities in terms of functions performed, assets employed, and risks taken.

Benchmarking is of paramount importance to any transfer pricing analysis as economic references are critical to justify the income allocation within a group or for a specific intercompany transaction.

A benchmarking study done at an appropriate level of quality can serve not only in a transfer pricing project but also as a tool for analysing competition and industry performance.

## HOW WE CAN HELP?

Our specialists have extensive experience in preparation of benchmarking studies for commercial, financial, and intangibles transactions of all kinds.

**We use the most comprehensive and up-to-date source of company information for Transfer Pricing research available on the global market. With a license for the commercial databases commonly used in US, Europe And Asia pack, we have instant access to financial information on more than 20 million companies across the globe and therefore can prepare reliable benchmarking analysis for any controlled transaction your company might have. Moreover, we also use other local as well as global databases when necessary.**

Thus, we are proud of our ability to carry out customized benchmarking studies for all types of transactions that a company can carry out at a quality level that can not only help minimize transfer pricing risks but can also offer you an idea of the competition and the situation of your industry.

Moreover, if you need a Ready made Benchmarking report that doesn't need any other customization, you can buy it from our ready-made benchmarking studies library posted on website.

## How do we do it?



This whole process will last approximately seven working days from the date of receipt of the information regarding the types of activities.

### Expert made tailored benchmarking studies

Our benchmarking studies will be prepared by experts with more than 20,000 hours of experience in preparation of such benchmarking studies.

This stands as a guarantee that our benchmarking studies will take into account the smallest details regarding your business and the final benchmarking study will achieve the best balance between the transfer pricing side and the commercial side of the benchmarking.