

Intellectual Property and impact of Transfer Pricing & Economic Substance

Different types of IPs

- Patent, Trademark, Copyright, Trade Secret Designs, Technical know-how, geographical indications

Are these questions relevant to you?

- Have you developed or own an IP(s)?
- Have you contracted the right to use IP(s) to any third party?
- Are you earning income from IP(s) through royalty, franchisee or licensing?
- What were the basis of valuation of your IP(s)?
- Do you have documentation or reports to justify the valuation of your IP(s)?



Transfer Pricing/ Economic Substance Impact

- Intra-group transactions involving IP(s) need to be justified to ensure no tax evasion.
- Economic Substance need to be demonstrated in UAE

Action required

- Perform benchmarking search on licensed database to identify comparable rates as per market conditions (arm's length principle)
- Maintain Transfer Pricing documentation
- Evaluation of Intra-group transactions relating to IP(s).
- Demonstrate economic substance and undertake mandatory compliance