TRANSFER PRICING

Transfer Pricing Master File

Contoh Regional Consumer Group

FY2025 | Prepared for the fictional management team | 3 October 2026

Executive assessment

Reconcile the group value chain to actual decision-making and legal ownership before issuing a Master File. The fictional group narrative is coherent at a high level, but it does not yet explain the contribution of the Indonesian entity to product development and procurement.

The sample group operates through a regional holding company and entities in three jurisdictions. Consolidated external revenue is IDR 1,000,000 million. Intercompany sales of 120,000 million are eliminated. Group management locates trademarks in a holding entity, while development staff, marketing budgets and product decisions sit in operating companies.

Priority	Matter requiring a decision	Current evidence position
High	Intangible ownership and contribution differ	Open for professional review
Medium	Treasury narrative is incomplete	Open for professional review
Medium	Consolidation bridge requires sign-off	Open for professional review

This is a worked sample, not an issued client opinion. All companies, transactions, evidence records and calculations are fictional. The recommended actions demonstrate professional delivery; they do not establish a tax liability, filing eligibility, benchmark or regulatory approval.

Scope and analytical method

Purpose and intended use

The purpose is to help the fictional management team understand the evidence, the decision still required and the work needed to complete a defensible deliverable. The report is intended for internal discussion with the responsible Falcon professional. It is not a filing, an audit opinion or a guarantee of an authority outcome.

Work performed in the illustrative case

- Group organisation and ownership
- Business lines and value creation
- Intangibles and financing arrangements
- Group financial and tax arrangements

Map legal entities to operating functions, trace product and market decisions to named roles, and reconcile internal management reporting to consolidated accounts. Compare legal rights over intangibles with the activities that develop, enhance, maintain, protect and exploit them. This functional map supports local analysis but does not allocate profit automatically.

Evidence population

Ref	Illustrative record	Role in the analysis
E01	Consolidated accounts and elimination schedule	Starting population and primary bridge
E02	Ownership chart and intellectual property register	Classification and factual support
E03	Product and marketing decision records	Exception or corroboration testing
E04	Treasury agreements and financing balances	Decision history and completion support

The references are report-local training identifiers. They are not verified originals, app record IDs or hashes. No real client files were inspected. A live engagement must preserve the actual originals, their versions and the reviewer's assessment of each material claim. The descriptions above define the evidence that the case assumes or explicitly identifies as missing.

Coverage and limitations

Only the stated sample scope is covered. The report does not infer completeness of other entities, years, transactions or tax types. Where the record is incomplete, the analysis identifies the limitation rather than treating management's explanation as verified evidence. Any estimate remains subject to factual validation, current legal applicability and independent review.

Detailed findings and professional response

Priority is a qualitative judgement about the importance of resolving an issue before delivery. High means that the matter could change a material conclusion or prevent completion. Medium means that a control or corroboration improvement is required. These labels are not a probability of assessment or a calculated tax exposure.

Finding 1 Intangible ownership and contribution differ

High priority. E02 records legal trademark ownership in the holding entity. E03 places product design and marketing approval in two operating entities.

Professional implication. A description based only on registration would omit economically important contributions.

Recommended response. Prepare an activity and decision map with budgets, personnel and approvals. Explain remuneration separately from legal ownership.

Finding 2 Treasury narrative is incomplete

Medium priority. E04 identifies a cash pool, but no records establish guarantees, credit decisions or the treatment of deposits.

Professional implication. The group financing overview cannot explain participant benefits and risk allocation with sufficient specificity.

Recommended response. Obtain cash-pool agreements, balances, guarantee terms and treasury approval records. Distinguish arrangements from proposed tax outcomes.

Finding 3 Consolidation bridge requires sign-off

Medium priority. The management roll-up in E01 totals 1,120,000 million before elimination of 120,000 million.

Professional implication. Confusing pre-elimination and external revenue could create inconsistencies with local documents and jurisdiction data.

Recommended response. Tie eliminations to counterparty balances and obtain group finance approval of the financial summary.

Counteranalysis and judgement

An incomplete record is not proof that the taxpayer's position is wrong. Equally, an invoice, signed agreement or plausible narrative does not establish every factual or legal element. The reviewer should test alternative explanations and record what evidence would change the assessment. Preserve both supportive and adverse material so that the final conclusion remains balanced.

Financial analysis and decision alternatives

The schedule below makes the numerical reasoning reproducible. All inputs are fictional. The calculation basis states whether a value comes from the assumed record, a formula or an explicit scenario parameter. Figures should not be copied into a live return or used as a benchmark.

Measure	Illustrative result	Calculation basis
Entity revenue before eliminations	1,120,000	E01
Intercompany eliminations	120,000	E01
Consolidated external revenue	1,000,000	1,120,000 minus 120,000
Group operating profit	80,000	E01
Group operating margin	8.00%	80,000 divided by 1,000,000

Amounts are IDR million. The elimination bridge is an accounting consistency check, not a jurisdictional profit allocation. The 8.00% group margin is unsuitable as a direct benchmark for a local distributor without transaction, functional and market analysis. Group narratives should identify changes from prior years and explain their documentary support.

Alternatives for management discussion

Alternative	Practical rationale	Condition before adoption
Update the central narrative	One consistent group explanation	Local facts must still be checked
Prepare jurisdiction annexes	Captures operational differences	Needs version control across countries
Commission intangible workstream	Investigates contribution and control	Separate specialist analysis required

Management should compare the alternatives using verified facts, operational feasibility and the applicable legal analysis. A more favourable numerical scenario is not evidence that its assumptions are valid. The report therefore recommends completing the unresolved work before selecting a final tax position or an external action.

Recommendations and delivery plan

The following sequence is an illustrative internal work plan measured from engagement kick-off. It is not a statutory timetable. Any external response or filing date must be verified separately and may require faster escalation. The engagement partner remains responsible for the scope and resources agreed with the client.

Work step	Responsible role	Indicative timing	Completion evidence
Confirm scope and procedural facts	Engagement lead	Days 1 to 2	Approved scope and verified external date where relevant
Resolve finding 1	Client finance and Falcon adviser	Days 2 to 5	Original evidence and documented resolution or scope limitation
Resolve finding 2	Technical workstream lead	Days 3 to 7	Originals and approved technical treatment
Resolve finding 3	Client owner and Falcon adviser	Days 3 to 8	Reviewed action and completion evidence
Review analysis and computations	Independent Falcon partner	After evidence closure	Documented challenge and approved current version
Authorise delivery and preserve receipts	Engagement lead and client signatory	After professional approval	Final report version and any external acknowledgement

Escalation and change control

Escalate immediately if an actual external date is near, an original contradicts the working facts, the legal framework changes, or the proposed action exceeds the authorised scope. New evidence can change the recommendation. Update the affected calculations, issue analysis and report version, and obtain fresh independent review where the conclusion has changed.

Client communication

Tell the client what is established, what remains uncertain and what they must supply or decide. Explain how missing evidence limits the deliverable. Obtain approval of the final audience and language. Preserve the distinction between internal review, client delivery and authority acceptance.

Technical references and completion record

The official references below were located on 3 October 2026. They are starting points for a real technical review, not a representation that every operative article, amendment, treaty or transitional provision has been checked. No quoted legal passage or current statutory rate is relied on to decide this fictional case.

Indonesian related party transactions

PMK 172 of 2023 - Review the applicable articles, period, documentation, MAP and APA provisions and any subsequent changes.

Open official reference

Transfer pricing analytical framework

OECD Transfer Pricing Guidelines 2022 - Analytical guidance is not a substitute for Indonesian law, treaty text or later relevant guidance.

Open official reference

Required legal applicability record

For each material position, retain the original provision and exact article, authority and version, effective dates, relevant amendments and the reason it applies to the client's facts and period. Record competing interpretations and the specialist's conclusion. Official service pages and OECD guidance have different authority from domestic legislation and treaty text.

Independent completion checks

- The client identity, period and authorised scope match the actual engagement.
- Every material statement is traceable to the original record and preserves any contradiction.
- The calculations are independently reperformed and assumptions are distinguished from legal rules.
- The applicable law and source history support the conclusion for the actual period.
- A different qualified Falcon reviewer records the judgement and material limitations.
- The client authorises the intended delivery and any separate external submission is evidenced.

Sample status: not approved for client issue. No preparer, reviewer or client signature is simulated. Replace the fictional dataset and complete the real engagement review before using this document as a delivery model.