

# TRANSFER PRICING AGREEMENT

Location: \_\_\_\_\_ Date: \_\_\_\_\_

## Parties:

This Agreement is made between:

Seller/Transferor Entity Name: \_\_\_\_\_

Address: \_\_\_\_\_

Representative: \_\_\_\_\_

## Recipient/Transferee Entity:

Recipient Entity Name: \_\_\_\_\_

Address: \_\_\_\_\_

Representative: \_\_\_\_\_

## Recitals:

WHEREAS, Seller owns certain intangible property, assets, or services subject to transfer pricing considerations; and WHEREAS, Buyer and Seller wish to establish terms and conditions governing the pricing and transactions between them to comply with applicable United States transfer pricing laws and regulations and ensure arm's length pricing;

## Article 1 – Definitions

For purposes of this Agreement, the following terms shall have the meanings ascribed herein unless the context otherwise requires: "Arm's Length Principle" means that the transfer prices and terms shall be consistent with those that would have been agreed upon between independent enterprises under similar circumstances. "Intangible Property" includes, but is not limited to, patents, trademarks, copyrights, know-how, and proprietary information. "Services" refers to all support, management, technical, or other services rendered by one party to the other.

## Article 2 – Scope and Purpose

This Agreement governs the pricing, terms, and conditions of Transfer Pricing transactions between the Parties, including but not limited to transfer of intangible property, provision of services, loans, and other intercompany transactions. The Parties intend to comply fully with the applicable sections of the Internal Revenue Code, Treasury Regulations, and IRS guidelines.

## Article 3 – Transfer Pricing Methodology

The Parties agree to apply the following transfer pricing methods, as appropriate and substantiated by reliable data, to determine arm's length prices and terms: Comparable Uncontrolled Price (CUP), Resale Price, Cost Plus, Profit Split, or Transactional Net Margin Method (TNMM). The selection and application of methods will be consistent with the OECD Transfer Pricing Guidelines and U.S. tax laws.

## Article 4 – Documentation and Compliance

The Parties shall maintain contemporaneous and complete transfer pricing documentation supporting all transactions governed by this Agreement, including but not limited to functional analyses, economic analyses, contracts, and intercompany agreements, in compliance with Internal Revenue Code Section 6662 and related regulations. Documentation shall be made available upon request by competent tax authorities and shall be retained for the legally required period.

#### **Article 5 – Pricing and Payment Terms**

Pricing for all intercompany transactions shall be set to reflect arm's length terms and conditions, including payment schedules. Payments shall be made in U.S. Dollars (USD) unless otherwise mutually agreed in writing. Invoices shall be issued promptly, and payments shall be remitted according to agreed terms to ensure compliance with tax and accounting standards.

#### **Article 6 – Audit and Adjustments**

The Parties agree to cooperate fully in any internal or governmental audits related to transfer pricing matters. If adjustments are required to reflect arm's length conditions, the Parties shall promptly amend transactions and make necessary payments or refunds. Adjustments shall be documented and supported by appropriate analyses.

#### **Article 7 – Confidentiality**

Each Party agrees to keep confidential all proprietary information and transfer pricing data obtained under this Agreement, except as required by law or authorized by the other Party in writing. Confidential information shall not be disclosed to third parties without prior written consent, except to professional advisors or tax authorities under appropriate confidentiality protections.

#### **Article 8 – Term and Termination**

This Agreement shall remain in effect until terminated by mutual written agreement of the Parties. Either Party may terminate this Agreement upon ninety (90) days written notice if the discontinuation of transfer pricing transactions occurs. Termination shall not affect the Parties' obligations with respect to transactions undertaken prior to termination.

#### **Article 9 – Governing Law and Jurisdiction**

This Agreement shall be governed by and construed in accordance with the laws of the United States of America and applicable state laws, without regard to conflict of law principles. The Parties consent to the exclusive jurisdiction of the federal and state courts located in the jurisdiction mutually agreed upon for any disputes arising under this Agreement.

#### **Article 10 – Dispute Resolution**

The Parties agree to use good faith efforts to resolve any disputes related to this Agreement amicably through negotiations or mediation. If unresolved, disputes shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association or other mutually agreed arbitration forum, with the venue to be mutually decided.

#### **Article 11 – Amendments**

Any amendments or modifications to this Agreement must be in writing and signed by authorized representatives of both Parties to be effective.

**Article 12 – Entire Agreement**

This Agreement, including any attachments and schedules, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral.

**Article 13 – Severability**

If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

**Signatures**

**SELLER / TRANSFEROR**

**BUYER / TRANSFEREE**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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