



Are You At Risk?

Five Common Transfer Pricing Audit Triggers



PROLONGED LOSSES

If your company reports **repeated losses**, the ZRA may suspect profit shifting.

Tax authorities will ask: Why is a multinational group consistently losing money in Zambia while related parties elsewhere remain profitable?



MISMATCHES BETWEEN DOCUMENTATION & REALITY

Your TP reports say one thing, but your financial statements say another? That's a major risk.

Authorities expect alignment between transfer pricing policies and actual business transactions.



UNJUSTIFIED COST ALLOCATIONS

Allocating group-wide costs to the Zambian entity without a clear basis?

This could be challenged, especially if there's no economic substance behind the allocation.



WEAK COMPARABILITY

Outdated benchmarks and /or Inappropriate comparables?

A weak arm's length analysis makes it easier for tax authorities to adjust your pricing.



LACK OF EVIDENCE

Simply stating that services were provided isn't enough—the ZRA requires proof of economic benefit.

If there are no invoices, contracts, or documented service delivery, tax authorities may disallow the expense.

Avoid Costly Adjustments & Penalties!

If any of these transfer pricing red flags apply to your enterprise, it's high time for a **Transfer Pricing Audit Readiness Check**.

Which of these triggers concerns you the most?

Let's talk about how to address it before the authorities do.

Contact us today to discuss your risk profile and practical steps you can take:



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