

12th January 2026**TRANSFER PRICING SERIES, ISSUE NR. 1****TRANSFER PRICING IN A (FAST) CHANGING WORLD: A MULTIDIMENSIONAL PERSPECTIVE***Definition of development strategies, risk mapping, and adaptability.*by Gian Luca Nieddu¹**Introduction²**

The beginning of a new year is often marked by the finalization of new development projects (for example, internationalization, acquisitions, value chain reorganization) as well as the launch of the first operational phases of new initiatives that were designed at the end of the previous financial year.

Indeed, the current economic climate forces multinational groups of all sizes to continually review their course in light of expected objectives, interim results achieved, and the changing circumstances (including geopolitical ones) in which they operate, as they face and manage the pressures of a rapidly changing, competitive global market.

Groups, therefore, need to examine the efficiency and effectiveness of their operational and business models in the face of changing market conditions, regardless of product and/or sector. In other words, this is what we might call a constant pursuit of change.

Regardless of the specific needs and motivations underlying a business restructuring, a group wishing to undertake a value chain review and redefinition process must carefully identify the elements that characterize its business model within the specific economic circumstances dictated by the market and its industry. Some of the key factors include:

- **Modification of the functional (and risk) profile** of the group's subsidiaries, for example in a vision aimed at centralization or decentralization.
- **Management of intangible assets**, including the allocation of R&D activities, the legal protection of the assets created and the ways in which they are exploited³(inside and outside the group).
- **Definition of intercompany transactions involved in the restructuring process** and impact assessment both on the individual entities involved and on specific business lines⁴;

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² Automatic English translation of the article published in the EC News review (<https://www.ecnews.it/>) on 12th January 2026.

³ OECD Transfer Pricing Guidelines (January 2022), Chapter IX, Paragraph 9.3.

⁴ OECD Transfer Pricing Guidelines (January 2022), Chapter IX, Paragraph 9.9.

- **Integration into the group value chain** of new companies acquired following any M&A transactions.
- **Review of the profit allocation model** in light of a concrete analysis of the risks associated with the activities actually carried out.

Business restructuring and transfer pricing: step by step

From a business perspective, a project to reorganize strategies and operating methods must take into consideration not only economic convenience⁵ that will result, but also the potential tax risks associated with the transactions being undertaken. Indeed, a cross-border reorganization is likely to result in a redistribution of profit rights among subsidiaries resident in the various countries. Hence the need to implement all measures aimed at mitigating the risk of tax base erosion and artificial profit shifting.⁶

The reorganization activities described above, like all transnational transactions and operations carried out between related companies, are governed by the transfer pricing discipline which represents the concrete expression of the arm's length principle (principle of free competition) formulated by the OECD,⁷ as well as all other provisions relating to international taxation. Given the unique complexity of business restructuring, the OECD Transfer Pricing Guidelines dedicate a specific chapter to the topic (Chapter IX).⁸ Therefore, as a true compass for achieving the best possible alignment between business needs and tax regulations, it is advisable to follow a well-defined process aimed at the economic analysis of corporate reorganizations that takes into account the indications provided by the aforementioned Chapter IX of the OECD guidelines. More specifically, this process is divided into the following steps:

1. Analysis of the entire transaction: the beginning of the business restructuring process coincides with the proper definition of the transactions being analyzed, through a comparison of the functional profiles of all parties involved, both before and after the reorganization. Indeed, it is important to remember here that business restructuring activities must necessarily be characterized by both an ex ante and ex post perspective: not only must the transfer of functions, risks, and assets be properly valued, but an adequate policy must also be developed regarding the appropriate remuneration of intragroup transactions that will be implemented following the reorganization.

2. Analysis of the economic rationale: the next phase requires a thorough analysis of the economic and management motivations and objectives underlying the reorganization. At the same time, the expected benefits must be highlighted, both from a group-wide perspective and at the individual company level. This step is crucial in uncovering any strategic divergences: the expected global benefits (be they commercial, management, or financial) could create friction with the post-reorganization situation at the individual entities, which could see their role reduced, resulting in operational and business performance challenges.

⁵Both at the individual entity level and at the aggregate level.

⁶The OECD in fact speaks of base erosion and profit shifting.

⁷It is also present in the model convention against double taxation developed by the United Nations which is most often used as inspiration by the so-called developing countries.

⁸OECD Transfer Pricing Guidelines, January 2022, Chapter IX, "Transfer Pricing Aspects of Business Restructuring".

3. Monitoring "realistically available options": Since business restructuring is an activity governed by the arm's length principle, groups should assess the prospects of each subsidiary involved in the reorganization if it were—and operated as—an independent company. In other words, how would two independent companies behave when they were about to evaluate and formalize a similar business restructuring?

This question is crucial to the process, as it underlies the analysis of the factor's pros and cons of the reorganization and the available alternative options (the so-called ORA, options realistically available), in order to decide whether to participate in the reorganization or pursue one of the possible alternatives. Therefore, just as would occur between two independent parties, this analysis step allows us to highlight any considerations or compensations to be considered to make participation in the reorganization the most advantageous option for the parties involved.

4. Transaction analysis and remuneration: This analytical step completes the step outlined in the previous point. Indeed, it aims to determine whether, and under what conditions, two independent parties would have foreseen the existence of remuneration for the reorganization⁹. Therefore, in concrete terms, the analysis aims to understand whether the business restructuring activity has determined:

- the transfer of "something of value", such as a specific tangible or intangible asset, contractual rights, or a complex of assets of various kinds capable of producing income (i.e., a branch of a business); and
- the renegotiation of contractual terms or the termination of existing agreements, both intra-group and with third parties.

Final remarks: readiness and adaptability

In addition to the analytical insights briefly reviewed so far, there are two other "dimensions" that play a decisive role in reviewing and redefining strategies and operating methods: time and the circumstances that characterize the reference markets.

Regarding the "time" dimension, a project to reorganize operational strategies must necessarily take into account the time horizon over which it is projected: from design to its implementation, to the ordinary phase of carrying out activities according to the new set up and finally to the measurement of results.

And the perspective in which this project is implemented will inevitably be influenced (or perhaps, we should better say, impacted) by external dynamics that cannot be controlled or influenced by the group in any way: these could be, for example, changes to sector regulations, or the introduction of new tariffs or protectionist policies, or even real geopolitical upheavals.

Thus, a multinational group's ability to increase its competitiveness and profitability will be closely linked to its readiness and ability to adapt to increasingly frequent and, at times, unpredictable macroeconomic environments, on a regional or even global scale. The group's top management - duly supported by local branches - is then required to continuously monitor and

⁹OECD Transfer Pricing Guidelines (January 2022), Chapter IX, § 9.39.

analyze in order to capture and process all necessary information and verify and—where necessary—correct intragroup transfer pricing in close correlation with economic circumstances and market conditions¹⁰ in which group operate.

About MUSE Strategy

MUSE Strategy is an international consulting firm founded in 2022 to support multinational groups, families and individuals navigating the complexity of a globalised economic landscape. Based in Milan and with offices in London and Abu Dhabi, the firm is distinguished by an integrated, boutique approach in which business transformation, transfer pricing and wealth advisory intersect with corporate, operational, legal and international tax considerations.

MUSE Strategy's work extends beyond compliance to the design of long-term strategic frameworks, combining risk analysis, performance optimisation, corporate finance, sustainability and strategic venture development. With a focus on anticipation rather than reaction, the firm advises clients on aligning enterprise, capital and governance over time — supporting decisions that are durable, coherent and internationally resilient.

¹⁰Ref. OECD Transfer Pricing Guidelines (January 2022), para. 1.36 and Art. 3 of the Ministerial Decree of 14.05.2018.