



## Quiz

### Transfer Pricing and Cross-Border Financing Part II

1. What has to occur to allow you to change your functional currency?
  - a. Nothing
  - b. There must be a trigger event that requires you to change your functional currency
  - c. If you receive court approval to change your functional currency
  - d. If you feel like changing it
  
2. What did Pagone J hold in the Full Court judgement in relation to a guarantee fee?
  - a. There probably would have been a guarantee, but the US funding subsidiary would not have paid a guarantee fee
  - b. There probably would not have been a guarantee, but the US funding subsidiary would have paid a guarantee fee
  - c. There probably would have been a guarantee, but the US funding subsidiary would have paid a guarantee fee
  - d. The US funding subsidiary paid a guarantee fee

3. *Commissioner of Taxation v Dalco* [1990] HCA 3; 168 CLR 614 provides that...
  - a. You must show that the assessment is wrong
  - b. You must consider if the company is owned by a foreign parent
  - c. You must show that the assessment is wrong and you must show what the correct answer is
  - d. You must not consider if the company is owned by a foreign parent
4. According to the *GE Canada* approach, in determining what an arms-length consideration is, you must...
  - a. Consider what the party would have paid if it had borrowed from a parent company
  - b. Consider what the party would have paid if it had borrowed from a third party
  - c. Not view the party as having any support from the parent
  - d. Show that the pricing assessment is wrong
5. Under the new Practical Compliance Guidelines 2017/D4, which of the following is something the Commissioner will consider when determining transfer pricing?
  - a. The headline tax rate of the lender entity jurisdictions
  - b. The price of the loan relative to the global group cost of debt
  - c. The leverage of the borrower
  - d. All of the above

**Answers:**

**1. b 2. a 3. c 4. b 5. d**