

North and South

How UHY clients in the Americas benefit from close-knit transfer pricing teams.

Transfer pricing for cross-border companies is a complex process involving strategic, operational and legal policy development with robust documentation, transparent reporting and financial control. In the

US, transfer pricing (TP) is regulated by the Internal Revenue Service (IRS) and applied state-by-state; south of the border LATAM jurisdictions have their own regulations and requirements. Globally, countries

are subject to an evolving regulatory landscape as tax authorities seek to both harmonise guidelines and increase scrutiny. ■

US-Mexico

HI-LEX HI-LEX Controls, Inc. is a tier one automotive supplier operating out of Michigan, US – the heart of America’s auto industry past and present. The business is part of the global HI-LEX Corporation, a Japanese multinational with worldwide sales exceeding USD 2 billion in 2024 and celebrating it’s 80th birthday in 2026. The

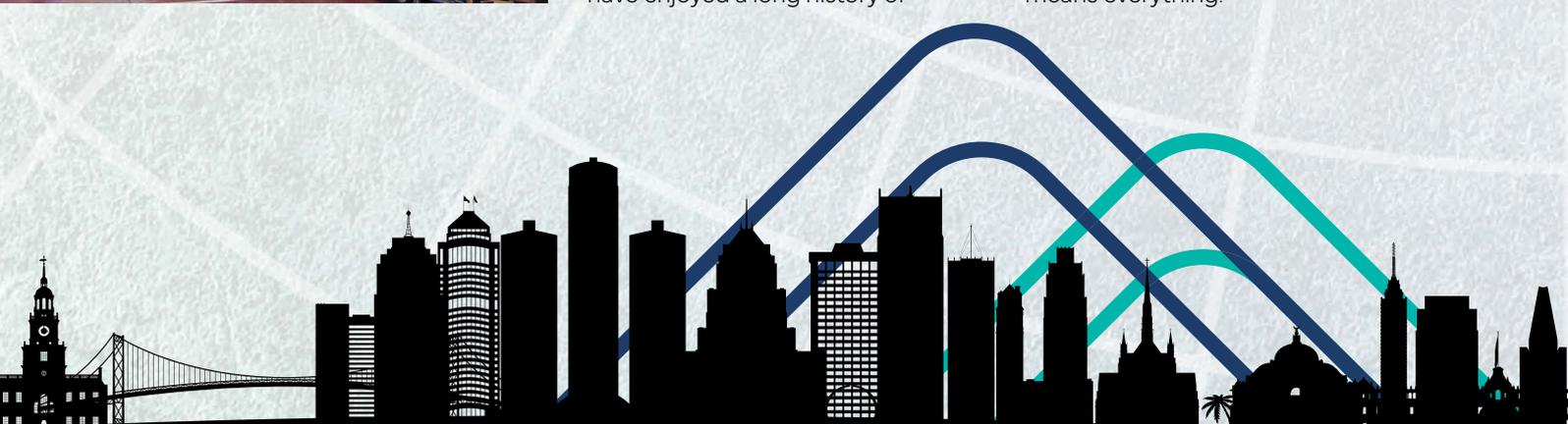
corporation is known for its automotive control cables but also innovates in medical device and industrial markets.



This seamless working together makes UHY a strong proposition.

Across the southern border in Mexico HI-LEX operates three plants, including HI-LEX Controls de Mexico. The responsibility for ensuring effective intercompany transfer pricing reports for both jurisdictions falls to HI-LEX’s VP of Finance Brandon Frederick, who is based in Detroit. Brandon is happy to outsource his TP work to UHY because the TP team at UHY Advisors, Inc., Michigan and their TP colleagues at UHY Glassman Esquivel y Cia S.C. in Mexico City have enjoyed a long history of

working together, supporting US clients with Mexican operations. According to Brandon, “UHY’s integrated TP teams in the US and Mexico deliver efficiency, cost-effectiveness and reliable compliance support.” It’s this seamless working together that makes UHY a strong proposition for clients seeking the highest level of TP delivery across borders. The managing partner of our UHY member firm in Mexico and international Board director Oscar Gutiérrez Esquivel, cites high standards and a clear focus on customer satisfaction, as key in establishing strong relationships with clients like Brandon. The HI-LEX TP lead for UHY in the US is Donna Frye, Director of Transfer Pricing. Donna agrees that integrity in sharing know-how with the client, and with UHY colleagues across borders, is the proven recipe for win-win relationships. “Having Brandon put trust in my team and Oscar’s to deliver HI-LEX’s requirement, means everything.”



US-Argentina



When global IT consultant, business services and workforce

solutions giant Strategic Staffing Solutions (S³) opened operations in Buenos Aires they were able to call on the US and Argentine UHY member firms to assist them in getting things right with their first LATAM venture. With a global HQ in Detroit serviced by UHY Advisors, Inc., Michigan, S³ were introduced to UHY Macho & Asociados in Argentina, with transfer pricing (TP) high on the agenda. Although collaboration on TP between these UHY teams was a first, everyone involved – including the S³ Chief Financial Officer – worked together quickly

and diligently, establishing the most productive means to deliver the client's requirements using TP skills across both firms.

"After incorporating the S³ Argentina subsidiary, we worked with Donna Frye's TP team in the US to develop the client's TP benchmark report," says Tomas Merlos, partner at UHY Macho & Asociados. "Donna produced the study to IRS and OECD guidelines, then we were able to localise it and adjust scenarios to account for our country's hyperinflation, use local comparables and sign off the study before filing with ARCA (the Argentinian tax authority). It was great international teamwork." Client feedback was equally enthusiastic. "With specialised transfer pricing resources based in Argentina, UHY delivered

efficient and helpful solutions to fulfil our TP compliance obligations."



Photo by Lillian on Unsplash

New TP for Brazil

In 2024 the alignment of Brazil's transfer pricing regulation with OECD Guidelines became mandatory. As a result, Brazilian companies and subsidiaries are obliged to present their TP reports within a new framework. For UHY's member firm in Brazil, UHY Bendoraytes & Cia, it was essential they provide their clients with timely and accurate TP reports which would meet all the new criteria for disclosure and compliance. As part of the international UHY network, the firm's own TP specialists were able to work alongside UHY's OECD TP experts in the US, where TP federal-level regulation largely follows OECD guidelines.

The result is an invaluable sharing of knowledge and expertise between UHY colleagues, and great appreciation from the Brazilian companies which have benefited. Monica Bendia, tax partner at UHY Bendoraytes & Cia in Rio de Janeiro, appreciates the value of UHY's cross-border teamwork. "Donna [Frye] in the US firm delivered a transparent and highly insightful body of work, earning significant praise from our Brazilian companies. She helped us to successfully navigate the challenges of this first year under the OECD's transfer pricing rules in Brazil."



istock.com/miragen

Reaching out to Guatemala

Having TP specialists around the world puts UHY in an enviable position to provide effective support for multinational clients in this complex component of international taxation. What's more, the UHY culture of working together provides our firms and clients with other benefits. Resource-sharing is a great solution for peak times of meeting client demand. With significant client TP work to deliver and an unexpected staff shortage which had briefly depleted the US firm's own expert resource, UHY Advisors, Inc. asked for help from UHY's member firm in Guatemala. It was duly forthcoming and UHY Pérez & Co's TP specialist completed the TP report the US client required, to both their satisfaction and their deadline.

istock.com/Greens87 and DINY59