



IOTA



# Group Discussion Session

## CASE STUDY 1 - LITHUANIA



Group Discussion Session (GROUP 1)  
**CASE STUDY 1 - LITHUANIA**

## QUESTIONS/ISSUES FOR GROUP DISCUSSION

1. *Do you agree with the segmentation of transactions proposed by the tax administrator?*
  - Some tax administrations agree and some do not agree
  - Take into account benchmarking study possibilities – comparables
  - We discussed segmentation into 2 parts vs. 4 parts – including maintenance and spare parts
  - Questionable covid year – what do we expect in the future

Group Discussion Session (GROUP 2)  
**CASE STUDY 1 - LITHUANIA**

## QUESTIONS/ISSUES FOR GROUP DISCUSSION

1. *Do you agree with the segmentation of transactions proposed by the tax administrator?*

OK, because

Functions and Risks are different

Comparables can be separated

Group Discussion Session (GROUP 3)  
**CASE STUDY 1 - LITHUANIA**

## QUESTIONS/ISSUES FOR GROUP DISCUSSION

1. *Do you agree with the segmentation of transactions proposed by the tax administrator?*

We all agree to the segmentation cars vs trucks but the services need to be checked in the comparables.

Questions.

1. mathematical connection possible for segmentation and make an adjustment at the end?
2. is a third benchmark possible for services? Is it possible to check the remuneration of the services in comparison with the 2 other transactions?
3. Is it possible to do 1 benchmark, but with separate segmentations? 2 segmentations possible
4. The maintenance should be allocated to the benchmarks according to if it is legally connected by law vs not. If not is it residual?
5. There could be 4 benchmarks depending on functional analysis

Group Discussion Session **(GROUP 1)**  
**CASE STUDY 1 - LITHUANIA**

## QUESTIONS/ISSUES FOR GROUP DISCUSSION

2. *What is the most appropriate allocation key for indirect costs?*

Based on the function / nature of the costs

Group Discussion Session (GROUP 2)  
**CASE STUDY 1 - LITHUANIA**

## QUESTIONS/ISSUES FOR GROUP DISCUSSION

2. *What is the most appropriate allocation key for indirect costs?*

Service is bought to derive a benefit

Best Measure of Benefit

Usually Revenue

Units sold could be used if there is an argument for benefit being proportional to units e.g. 1 contract per vehicle

Group Discussion Session (GROUP 3)

## CASE STUDY 1 - LITHUANIA

## QUESTIONS/ISSUES FOR GROUP DISCUSSION

2. *What is the most appropriate allocation key for indirect costs?*

It could depend on the granularity of the indirect costs, and a different allocation key per service, when it is possible.

Allocation with the labour hours to allocate costs within the car benchmark vs truck benchmark for services ?

Allocation with the revenue ?

Combination of 2 allocation keys?

Group Discussion Session (GROUP 1)  
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## QUESTIONS/ISSUES FOR GROUP DISCUSSION

3. *Should maintenance service activities be treated as separate activity, unrelated to truck and passenger car distribution?*
- If we split transactions into cars and trucks we have to divide also indirect costs – turnover
  - Maintenance is just cost – not value driving

Group Discussion Session (GROUP 2)  
**CASE STUDY 1 - LITHUANIA**

## QUESTIONS/ISSUES FOR GROUP DISCUSSION

3. *Should maintenance service activities be treated as separate activity, unrelated to truck and passenger car distribution?*

No because it is closely linked to the distribution transaction.

See also Printer example from OECD Guidelines

Group Discussion Session (GROUP 3)

## CASE STUDY 1 - LITHUANIA

### QUESTIONS/ISSUES FOR GROUP DISCUSSION

3. *Should maintenance service activities be treated as separate activity, unrelated to truck and passenger car distribution?*

If it is included in the comparables, there is no impact. If it is not sufficiently linked to a distribution activity, we need to go into the facts.

It depends on sites and channels

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**CASE STUDY 1 - LITHUANIA**

**QUESTIONS/ISSUES  
FOR GROUP DISCUSSION**

4. *If maintenance services are excluded, would benchmarking studies that include maintenance service activities still be acceptable, given that, no adjustments can be made due to the absence of both sufficient data and alternative comparables?*

Maybe we could use lower margin

Group Discussion Session (GROUP 2)  
**CASE STUDY 1 - LITHUANIA**

**QUESTIONS/ISSUES  
FOR GROUP DISCUSSION**

4. *If maintenance services are excluded, would benchmarking studies that include maintenance service activities still be acceptable, given that, no adjustments can be made due to the absence of both sufficient data and alternative comparables?*

No

Group Discussion Session (GROUP 3)  
**CASE STUDY 1 - LITHUANIA**

**QUESTIONS/ISSUES  
FOR GROUP DISCUSSION**

4. *If maintenance services are excluded, would benchmarking studies that include maintenance service activities still be acceptable, given that, no adjustments can be made due to the absence of both sufficient data and alternative comparables?*

**We cannot exclude the maintenance services.**

**If there are other activities than sales, they will have to adjust the benchmarking.**

**Diagnostic ratio when doing the benchmarking to be comparable.**