

[Company Name]
[Company Address]
[City, State, Zip Code]
[Tax Identification Number]

[Date]

[Name of Auditor/Contact Person]
[Tax Authority Name]
[Department/Office Name]
[Address]

**RE: Response to Notice of Audit - Transfer Pricing Examination for Fiscal Year(s)
[Year(s)]**

Dear [Name of Auditor],

We are writing in response to your notice dated [Date of Notice] regarding the commencement of a transfer pricing audit for [Company Name] for the fiscal period(s) ending [Year(s)].

Please find enclosed the formal Transfer Pricing Documentation and supporting studies as required under [Cite Local Tax Law/Regulation, e.g., Section 482 of the IRC or OECD Guidelines]. This documentation demonstrates that all intercompany transactions between [Company Name] and its foreign affiliates have been conducted at arm's length.

Our defense is supported by the following enclosed items:

- **Functional Analysis:** Detailed description of the functions performed, assets employed, and risks assumed by each related party.
- **Economic Analysis:** Selection and application of the most appropriate transfer pricing method (e.g., TNMM, CUP, Resale Price Method).
- **Comparability Study:** Benchmarking reports showing that the profit margins or prices achieved are consistent with independent enterprises in similar industries.
- **Intercompany Agreements:** Executed contracts governing the legal terms of the transactions.

We believe that the methodology applied reflects the economic reality of our operations and complies with all applicable regulations. We are committed to cooperating fully with your office to resolve this inquiry efficiently.

Please contact [Name of Representative] at [Phone Number] or [Email Address] to discuss any further questions or to schedule a meeting.

Sincerely,

[Signature]

[Name of Authorized Officer]

[Title]

Enclosures: [List specific documents attached]