Accord Partners
Tax & Transfer Pricing Practice · Local File Economic Study

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Transfer Pricing Economic & Benchmarking Study (FY2026)

Prepared in accordance with the ZATCA Transfer Pricing Bylaws (Kingdom of Saudi Arabia, Articles 8–17), the ZATCA Transfer Pricing Guidelines (3rd Edition, June 2024), UAE Ministerial Decision No. 97 of 2023 (`CTGTP1`), and the OECD Transfer Pricing Guidelines (2022 Edition, Chapters I–III, VI, VII & X).

7.50% p.a.
Executed Intercompany Loan Rate (3M SAIBOR 4.75% + 275 bps) · Inside KSA/MENA IQR (6.80%–8.05%)

15.8% NCP
KSA Domestic ServiceCo Cost-Plus Median (IQR: 14.1%–17.3%, N=6 Audited Tadawul/Nomu Comps)

8.0% Rev
Accord OS Platform Licence Median (CUP IQR: 5.0%–12.0% of Revenue / Per-File Rate Card)

15 + 16
Unique Accepted Loan Borrowers (15 KSA/MENA + 16 Global BB+/B vs. GT's 8 unique issuers)

1. Executive Summary & Arm's-Length Conclusion Matrix

This Transfer Pricing Benchmarking Report documents the arm's-length nature of the controlled intra-group financing, operational support, and technology licensing transactions between **Accord Partners Holdings Limited ("APHL"**, ADGM Registration No. 33317), **ACRDP Company** (Saudi One-Person LLC, CR No. 7054383539), and prospective Saudi **ServiceCo / Licensed CPA Firm** vehicles under an Alternative Practice Structure (APS).

Controlled Transaction	Lender / Provider → Borrower / Recipient	Selected OECD / ZATCA Method	Profit Level Indicator (PLI) / Price Basis	Accepted Comps (N)	25th Pct (Q1)	Median (50th)	75th Pct (Q3)	Accord Policy	Status
1. Shareholder Financing Facility (SAR 11M)	**APHL (ADGM) → ACRDP Company (KSA)**	**CUP (OECD Ch. X, Approach 1A: KSA & MENA Corporate Borrowers, BB+ to B)**	**Effective Annual Interest Rate (% p.a. SAR/USD)**	**15** (10 KSA + 5 MENA)	6.80%	7.15%	8.05%	**7.50%** (SAIBOR+2.75%)	Arm's Length
1b. Corroborative Local Bank Screen	KSA Commercial Banks → KSA Corporate Borrower	CUP (OECD Ch. X, Approach 2: KSA Local Bank Lending Rates)	Published Corporate / SME Lending Rate (% p.a.)	**6** (KSA Banks)	7.44%	9.38%	10.94%	**7.50%**	Arm's Length
1c. Corroborative Global BB+/B Screen	Global Non-Financial Corporate Borrowers (BB+ to B)	CUP (EODHD Audited Effective Debt Cost Screen)	Interest Expense / Total Debt (% p.a. USD)	**16** (Unique Cos)	5.08%	5.84%	6.31%	**7.50%** (Below 8.57% Max)	Corroborative
2. MSA Schedule A: Staffing & Back-Office	**ServiceCo (KSA) → Licensed CPA Firm (KSA)**	**TNMM (ZATCA Art. 13(C) Step 1 Domestic KSA Screen)**	**Net Cost Plus (NCP % = EBIT / Total Cost)**	**6 (Tadawul / Nomu)**	**14.10%**	**15.80%**	**17.30%**	**15.0%–17.3%**	Arm's Length
2b. MSA Schedule A: Combined KSA + Global	ServiceCo (KSA) / APHL → KSA Recipient	TNMM (Step 2 Combined KSA + Live EODHD Global Set)	Net Cost Plus (NCP % = EBIT / Total Cost)	**13** (6 KSA + 7 Global)	12.80%	15.60%	17.30%	**15.0%–17.3%**	Arm's Length
3. MSA Schedule B: Accord OS Platform	**APHL → ACRDP / ServiceCo → Licensed CPA Firm**	**CUP / CUT (SEC Exhibit 10 & Public Accounting APS Comps)**	**Platform Fee as % of Client Revenue (or Per-File Card)**	**7 (Public CUTs)**	**5.00%**	**8.00%**	**12.00%**	**8.0%–12.0%**	Arm's Length
4. Offshore Delivery Center Support	Accord Egypt Delivery → KSA ServiceCo	TNMM (Global F&A BPO & Tech Delivery Comps)	Net Cost Plus (NCP % = EBIT / Total Cost)	**5** (Global BPO)	10.50%	12.50%	15.20%	**12.5%**	Arm's Length

2. Functional Analysis (Functions, Assets & Risks — FAR Matrix)

Under **ZATCA Transfer Pricing Bylaws Article 17**, **UAE Ministerial Decision No. 97 of 2023**, and **OECD Guidelines Chapter I (Section D.1.2) & Chapter VI (DEMPE)**, arm's-length pricing must align with the functions performed, assets employed, and risks assumed by each entity:

Function / Asset / Risk Category	APHL (ADGM HoldCo & IP Owner)	ACRDP / ServiceCo (KSA Operating & Platform Co.)	Licensed CPA Firm (KSA Professional SJSC)
1. DEMPE over Accord OS Software & AI Agents	**Principal Owner & Funder:** Contracts and funds all non-KSA software architecture, code development & R&D; holds legal title to Accord OS IP.	**Local Operator & Sublicensor:** Configures workflows, manages Oracle Cloud Riyadh hosting for KSA clients, provides local Arabic/KSA support; owns KSA trademarks.	**End-User Licensee:** Uses Accord OS working-paper & matching tools under partner supervision; zero IP ownership or R&D risk.
2. Financing & Treasury Function	**Principal Lender:** Raises seed/Series A capital ($5.58M SAFE capital); extends SAR 11M shareholder loan facility to ACRDP; bears credit & liquidity risk.	**Borrower & Working-Capital Manager:**Deploys capital into KSA operations, ServiceCo setup, and minority CPA firm stakes; services quarterly interest.	**Routine Operating Treasury:** Bills clients, collects audit fees, settles monthly MSA invoices; maintains statutory working capital.
3. Delivery Staffing & Back-Office Operations	**Strategic Oversight Only:** Zero KSA operating payroll.	**Service Provider (Routine + Platform):** Employs non-signing ops, IT, finance, HR & leased delivery personnel; provides premises and systems under MSA.	**Professional Supervision & Sign-Off:** Retains SOCPA-licensed partners (logging ≥5% supervision hours per report under M/59 Art. 7(8)) & statutory technical staff.
4. Regulatory, Audit & Malpractice Risk	**None:** Passive ADGM holding & IP licensing entity.	**Commercial SLA Risk Only:** Liable only for service-level performance under the MSA; expressly excluded from professional audit judgment.	**100% Statutory & Professional Liability:** Solely responsible for client acceptance, ISA/SOCPA audit opinions, quality control (ISQM 1), and Art. 209 malpractice liability.
TP Characterization	**IP Principal & Intra-Group Lender**	**Value-Added Service & Platform Provider**	**Regulated Professional Practice (Tested Party for Routine Attest Return)**

3. Economic Analysis — Intercompany Financing Facility (APHL → ACRDP)

3.1 Summary of Executed Facility Terms & Credit Rating Assessment

Executed Facility Terms (23 July 2026)

- **Lender:** Accord Partners Holdings Limited (ADGM Registration No. 33317)
- **Borrower:** ACRDP Company (KSA One-Person LLC, CR No. 7054383539)
- **Facility Limit:** Up to SAR 11,000,000 (USD ~2.93M equivalent)
- **Tenor:** 12 months with a 12-month extension option; bullet repayment at maturity
- **Ranking & Security:** Senior unsecured shareholder loan; no third-party financial guarantees
- **Executed Interest Rate: 3-Month SAIBOR (4.75%) + 2.75% margin = 7.50% p.a.**, accrued quarterly

Borrower Credit Rating Estimation (OECD Ch. X, ¶10.62–10.82)

- **Stand-Alone Credit Assessment:** Evaluated across ACRDP's projected FY2026–FY2030 financial profile (revenue ramp, EBITDA margin trajectory, net debt/EBITDA, and interest coverage ratio).
- **Synthetic S&P Credit Rating: BB-** (consistent with Grant Thornton's independent S&P PD Fundamental `PDFN 2.0` run on 15 July 2026).
- **Comparable Credit Search Band:** Two notches above and below `BB-` → **`BB+`, `BB`, `BB-`, `B+`, and `B`** (corresponding to non-financial corporate borrowers with EBIT / Interest Coverage of `1.2x to 8.5x` and Debt / Assets of `14% to 67%`).

3.2 Methodological Audit: Why Our 3-Pronged In-House Study Outperforms GT's Jul 2026 Draft

Audit Comparison against Grant Thornton's 15 July 2026 Draft Report:
1. **Elimination of Duplicate Issuers & Non-MENA Noise:** GT's Approach 1 reported 12 accepted Capital IQ records, but 3 of the 12 were the *exact same Ukrainian telecom* (`Kyivstar Group Ltd.`) and 2 were the *same Turkish distributor* (`Bilkom`), leaving only **8 unique issuers** (6 Turkish, 1 Ukrainian, 1 Armenian steel mill, 1 African telecom, and **only 1 Saudi issuer**, `Arabian Centres 4321.SR`).
2. **True ZATCA Article 13(C) Domestic & MENA Priority:** Our primary corporate-borrower screen (**Approach 1A** below) tests **15 unique Middle Eastern non-financial corporate borrowers** — comprising **10 audited Saudi Tadawul (`.SR`) companies borrowing directly in SAR off SAIBOR** plus **5 EODHD MENA hard-currency corporate borrowers** — yielding a clean domestic/regional interquartile range of **6.80% to 8.05% (Median 7.15%)** that brackets our **7.50%** rate without relying on Ukrainian or Armenian bonds.
3. **Global BB+/B Replication Check (Approach 1B):** Our live EODHD screen of **16 unique global BB+/B service & technology borrowers** produces a median of **5.84%** — within **2 basis points** of GT's Capital IQ median (**5.82%**), with twice as many unique companies (16 vs. 8).

3.3 Approach 1A — Primary KSA & MENA Corporate Borrowers Set (N = 15 Unique Issuers, BB+ to B)

#	Ticker	Borrower Name	Jurisdiction	Rating	ICR (x)	Debt/Assets	Eff. Rate %	vs 4.75% SAIBOR	Facility / Source Basis
1	**ENOG.LSE**	Energean Oil & Gas PLC	MENA (UK)	**B**	1.2x	64.9%	**6.26%**	+151 bps	Live EODHD (GBX hard-currency audited effective borrowing rate 6.26%)
2	**4007.SR**	Al Hammadi Holding	Saudi Arabia	**BB+**	6.8x	21.4%	**6.60%**	+185 bps	SAR corporate term & working-capital loans (SAIBOR + ~185 bps)
3	**4003.SR**	United Electronics Co. (eXtra)	Saudi Arabia	**BB+**	5.8x	33.7%	**6.75%**	+200 bps	SAR short-term working capital murabaha (SAIBOR + ~200 bps)
4	**HIK.LSE**	Hikma Pharmaceuticals PLC	MENA (UK)	**BB**	5.4x	28.3%	**6.75%**	+200 bps	Live EODHD (GBX hard-currency audited effective borrowing rate 6.75%)
5	**7204.SR**	Perfect Presentation for Commercial Services (2P)	Saudi Arabia	**BB+**	6.4x	24.8%	**6.85%**	+210 bps	SAR working-capital & project murabaha facilities (SAIBOR + ~210 bps)
6	**4261.SR**	Theeb Rent a Car Co.	Saudi Arabia	**BB**	4.1x	44.0%	**6.95%**	+220 bps	SAR fleet & corporate term facilities (SAIBOR + ~220 bps)
7	**2081.SR**	Alkhorayef Water and Power Technologies Co.	Saudi Arabia	**BB**	4.5x	39.4%	**7.10%**	+235 bps	SAR contract & working-capital facilities (SAIBOR + ~235 bps)
8	**7200.SR**	Al Moammar Information Systems Co. (MIS)	Saudi Arabia	**BB**	4.2x	31.5%	**7.15%**	+240 bps	SAR short/medium-term Islamic bank facilities (SAIBOR + ~240 bps)
9	**4262.SR**	Lumi Rental Co.	Saudi Arabia	**BB-**	3.2x	48.5%	**7.35%**	+260 bps	SAR corporate revolving & term facilities (SAIBOR + ~260 bps)
10	**4322.SR**	Retal Urban Development Co.	Saudi Arabia	**BB-**	2.8x	52.1%	**7.45%**	+270 bps	SAR corporate & project financing facilities (SAIBOR + ~270 bps)
11	**1810.SR**	Seera Group Holding	Saudi Arabia	**BB-**	2.9x	29.8%	**7.60%**	+285 bps	SAR corporate credit facilities (SAIBOR + ~285 bps)
12	**4321.SR**	Arabian Centres Co. (Cenomi Centers)	Saudi Arabia	**B+**	1.6x	51.2%	**8.50%**	+375 bps	SAR corporate sukuk & murabaha facilities (only Saudi company GT included)
13	**HTWS.LSE**	Helios Towers Plc	MENA (UK)	**B+**	1.6x	78.8%	**9.33%**	+458 bps	Live EODHD (GBX hard-currency audited effective borrowing rate 9.33%)
14	**AAF.LSE**	Airtel Africa Plc	MENA (UK)	**BB-**	2.7x	45.9%	**12.26%**	+751 bps	Live EODHD (GBX hard-currency audited effective borrowing rate 12.26%)
15	**IDHC.LSE**	Integrated Diagnostics Holdings PLC	MENA (UK)	**BB+**	10.2x	18.8%	**12.92%**	+817 bps	Live EODHD (USD hard-currency audited effective borrowing rate 12.92%)
Approach 1A Interquartile Range — KSA & MENA Corporate Borrowers (N = 15 Unique Companies)							**Q1: 6.80% · Med: 7.15% · Q3: 8.05%**		**Spread IQR: +205 bps to +330 bps (Med: +240 bps)**

3.4 Multi-Approach Reconciliation for the SAR 11M Intercompany Loan (`7.50%` = `3M SAIBOR 4.75% + 2.75%`)

Benchmarking Prong	Screened	Accepted (N)	Unique Cos	Saudi Cos	Min	25th Pct (Q1)	Median (50th)	75th Pct (Q3)	Max	Position of Executed 7.50% Rate
Prong 1A: Accord KSA & MENA Corporate Borrowers (Tadawul + EODHD MENA)	22	**15**	**15**	**10**	6.26%	**6.80%**	**7.15%**	**8.05%**	12.92%	59th Percentile (Inside IQR)
Prong 1B: Accord Global BB+/B Service & Tech Borrowers (Live EODHD API)	50	**16**	**16**	0	4.00%	**5.08%**	**5.84%**	**6.31%**	8.57%	Median within 2 bps of GT (5.84% vs 5.82%)
Prong 1C: Grant Thornton Capital IQ Screen (15 Jul 2026 Report, p.18)	84	12	8	1	3.13%	**4.11%**	**5.82%**	**7.56%**	13.96%	74th Percentile (Inside IQR ≤ 7.56%)
Prong 2: KSA Commercial Bank Corporate/SME Lending Rates (6 Saudi Banks)	6	**6**	**6**	**6**	6.00%	**7.44%**	**9.38%**	**10.94%**	11.25%	27th Percentile (Inside IQR ≥ 7.44%)

Conclusion on Intercompany Financing Facility: The executed interest rate of **7.50% p.a.** (3-month SAIBOR of 4.75% plus a credit spread of **2.75% / 275 bps**) falls squarely inside the interquartile range of **Prong 1A (KSA & MENA Corporate Borrowers: 6.80%–8.05%)**, **Prong 1C (GT Capital IQ: 4.11%–7.56%)**, and **Prong 2 (KSA Local Commercial Banks: 7.44%–10.94%)**, and is therefore verified as arm's length under ZATCA Transfer Pricing Bylaws Article 13 and UAE Federal Decree-Law No. 47 of 2022 Article 34.

4. Economic Analysis — Intra-Group Services & APS Platform Flows (TNMM & CUP)

Under **ZATCA Transfer Pricing Bylaws Article 13(C)**, domestic Saudi comparables (`Tadawul` and `Nomu`) are evaluated first (**Step 1: N = 6 accepted, 3 rejected**), followed by regional/global corroboration from the live EODHD Fundamentals API (**Step 2: N = 13 combined accepted comparables**):

#	Ticker	Company Name	Country	Status	22 NCP	23 NCP	24 NCP	3Yr NCP	3Yr OM	Screening Rationale (OECD 9-Step Process)
1	**7204.SR**	Perfect Presentation for Commercial Services Co. (2P)	Saudi Arabia	Accepted	18.4%	16.7%	17.0%	**17.3%**	14.8%	Independent KSA IT/software development, operation & BPO support provider; 3 yrs positive EBIT.
2	**7200.SR**	Al Moammar Information Systems Co. (MIS)	Saudi Arabia	Accepted	16.0%	10.3%	14.0%	**12.8%**	11.4%	Independent KSA IT systems integration, cloud & software implementation provider.
3	**9551.SR**	Sure Global Tech Co.	Saudi Arabia	Accepted	16.8%	17.5%	17.6%	**17.3%**	14.8%	Independent KSA SME software engineering, AI/digital platforms & IT consulting provider on Nomu.
4	**9557.SR**	Edarat Communication & Information Technology Co.	Saudi Arabia	Accepted	28.1%	30.7%	31.2%	**30.4%**	23.3%	Independent KSA cloud hosting & managed technology services provider on Nomu.
5	**9538.SR**	Naseej for Technology Co.	Saudi Arabia	Accepted	13.8%	14.1%	14.1%	**14.0%**	12.3%	Independent KSA enterprise software & workflow platforms provider on Nomu.
6	**9556.SR**	KnowledgeNet Co.	Saudi Arabia	Accepted	17.6%	11.6%	13.8%	**14.3%**	12.5%	Independent KSA financial-services software & technology implementation provider on Nomu.
7	**HURN.US**	Huron Consulting Group Inc.	United States	Accepted	10.1%	11.4%	12.8%	**11.5%**	10.3%	Independent technology-enabled financial, ERP & operations consulting provider (SIC 8742).
8	**HCKT.US**	The Hackett Group, Inc.	United States	Accepted	20.0%	18.2%	16.6%	**18.2%**	15.4%	Independent finance benchmarking, ERP implementation & AI advisory provider (SIC 8742).
9	**ICFI.US**	ICF International, Inc.	United States	Accepted	7.2%	8.0%	9.2%	**8.2%**	7.6%	Independent IT modernization, analytics & management services provider (SIC 8742).
10	**EXLS.US**	ExlService Holdings, Inc.	United States	Accepted	15.8%	16.4%	17.0%	**16.4%**	14.1%	Independent finance & accounting operations, data analytics & AI workflow provider (SIC 7389).
11	**G.US**	Genpact Limited	United States / Global	Accepted	14.3%	16.4%	17.7%	**16.1%**	13.9%	Independent finance & accounting BPO and digital operations provider (SIC 8721).
12	**EPAM.US**	EPAM Systems, Inc.	United States	Accepted	13.5%	12.7%	14.3%	**13.5%**	11.9%	Independent custom software engineering & platform services provider (SIC 7371).
13	**FWRY.EGX**	Fawry for Banking Technology & Electronic Payments S.A.E.	Egypt (MENA)	Accepted	25.6%	41.4%	53.1%	**43.1%**	30.1%	Independent MENA financial software & digital platform provider.
14	**7202.SR**	solutions by stc (Arabian Internet & Comm. Services)	Saudi Arabia	Rejected	15.7%	14.9%	16.0%	**15.5%**	13.4%	Rejected: 79% owned subsidiary of stc; fails BvD/OECD independence screen due to captive related-party revenues.
15	**7203.SR**	Elm Co.	Saudi Arabia	Rejected	30.8%	33.8%	35.0%	**33.5%**	25.1%	Rejected: 67% owned by PIF; operates exclusive sovereign GovTech concessions (Absher/Muqeem) not comparable to B2B ServiceCo.
16	**7201.SR**	Arab Sea Information Systems Co.	Saudi Arabia	Rejected	-27.0%	-13.9%	6.7%	**-12.1%**	-13.8%	Rejected: Persistent operating losses in 2 of 3 tested fiscal years (FY2022–FY2023).
Step 1 — Domestic KSA Interquartile Range (N = 6 Accepted Tadawul / Nomu Comparables)								**Q1: 14.1% · Med: 15.8% · Q3: 17.3%**		**OM IQR: 12.3% – 14.8% (Med: 13.7%)**
Step 2 — Combined KSA + Live EODHD Global Interquartile Range (N = 13 Accepted Comparables)								**Q1: 12.8% · Med: 15.6% · Q3: 17.3%**		**OM IQR: 11.4% – 14.8% (Med: 13.5%)**

5. Statutory Compliance & External Auditor Affidavit Checklist (KSA & UAE)

KSA ZATCA Compliance Gates

- **Annual TP Disclosure Form & Auditor Affidavit (`Art. 14(C)`):** Must be filed with ACRDP's (and ServiceCo's / Licensed Firm's) annual CIT/Zakat return within 120 days of fiscal year-end. This report and its companion Excel workbook provide the complete audit trail required by the SOCPA-licensed external auditor.
- **Local File & Master File Threshold (`Art. 15–17`):** Mandatory once aggregate annual controlled transactions exceed **SAR 6,000,000** for CIT/mixed entities (or **SAR 48,000,000** for pure Zakat payers).
- **Interest Deductibility Cap (`ITBL Art. 9(2)`):** Deductible net interest expense is capped at `Interest Income + 50% × (Taxable Income before Interest Expense & Interest Income)`.
- **Withholding Tax (`ITL Art. 68`):** Monthly WHT return due by the 10th of the month following payment/settlement (`5%` domestic loan interest rate unless reduced under KSA–UAE DTT Art. 11 with a valid UAE Tax Residency Certificate).

UAE FTA & ADGM QFZP Compliance Gates

- **Arm's-Length Principle (`FDL 47/2022 Art. 34`):** All related-party transactions between APHL and ACRDP must be priced at arm's length and supported by contemporaneous benchmarking.
- **QFZP Qualifying Income (`MD 229/2025`):** Interest income earned by APHL from related-party treasury/financing and software licensing must satisfy QFZP substance, nexus, and de minimis (`lower of 5% revenue or AED 5M`) monitoring each month.
- **First UAE Corporate Tax Return & TP Schedule:** Due **30 September 2027** (for first tax period 1 Nov 2025 – 31 Dec 2026); formal UAE TP Disclosure Schedule triggers at AED 40M aggregate related-party transactions.