

**RED VENTURES STRENGTHENS GLOBAL
TAX POSITION WITH CROSSBORDER
SOLUTIONS**

Multi-national digital marketing company proactively addresses areas of tax risk, and significantly reduces TP documentation process costs

**ABOUT RED VENTURES**

Red Ventures is a digital marketing company, headquartered in the United States with over 4,500 employees. Red Ventures' portfolio of brands includes: CNET Media Group, Bankrate.com, The PointsGuy.com, Lonely Planet, Healthline Media, Creditcards.com, Best Colleges.com, Gamespot, Allconnect, Confused.com, Expertflyer, NextAdvisor, Metricritic, Mymove.com, Nextadvisor, Onze.com, Medical News Today, Money-co-uk, Lelynx.fr, TV Guide, Platea, PsychCentral, Sage, Slumber Yard, Rastreator, Reviews.com, Uswitch, ZD Net.com,

As a multinational digital marketing company, Red Ventures creates integrated marketplaces, online go-to hubs for news, advice, and reviews on health, pop culture, and travel. And with companies spanning five continents, the digital giant has some of the most complex—and highly scrutinized—transfer pricing transactions in the world.

Managing Transfer Pricing Compliance in a Post-BEPS World

With entities in the U.S., Brazil, Puerto Rico, the U.K., and Australia, Red Ventures is under the watchful eye of some of the most aggressive tax authorities in the world. "The majority of Red Ventures' transactions involve intellectual property and intercompany services—two of the most highly scrutinized types of transfer pricing transactions," said Ray Salort, VP of Tax, Red Ventures. "We absolutely had to have consistent, detailed documentation across all our jurisdictions, but we didn't have this available in any efficient or centralized manner."

Originally, Red Ventures tried a couple of different methods to outsource its transfer pricing documentation, including hiring a Big Four accounting firm as well as to hire various local consultants. But they found the process in each case was laboriously manual and haphazard, producing reports that were not always consistent from jurisdiction to jurisdiction. Turnaround time for reporting requests was also lengthy.



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**—Ray Salort, VP of Tax
Red Ventures**

Red Ventures needed to streamline and centralize its transfer pricing processes, to produce more detailed, consistent documentation quickly and efficiently across all jurisdictions, and organize reports so they'd have studies to refer to from year to year.

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**RED VENTURES STRENGTHENS GLOBAL
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SOLUTIONS****Transforming Compliance into a Streamlined
Operation**

Red Ventures has intercompany transactions all over the world, which means transfer pricing documentation has to meet unique local regulations in various jurisdictions. The company decided to look for a solutions provider that could accommodate their reporting needs across all their jurisdictions with efficiency, control, and accuracy they required.

CrossBorder Solutions' transfer pricing solution was chosen because it enabled Red Ventures to centralize how they were able to generate reports and construct a consistent approach to reporting for each jurisdiction where they operated. Red Ventures was able to home in on their intercompany transactions, identify new ones, and produce robust documentation across the board, with equal or better accuracy, and more cost effectively compared to other methods.

Getting More For Less

"Aside from the capabilities of the solution, another deciding factor for us in choosing CrossBorder Solutions was transparent, competitive pricing," said Salort "Our tax

department could now generate more detailed reports, at a lower cost than what we paid traditional consultants."

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CrossBorder Solutions also made benchmarking searches more cost effective and faster by leveraging prior years' benchmarks instead of starting from scratch.

The Value of a Highly Collaborative Approach

CrossBorder Solutions' expertise made the process of transitioning from traditional outsourcing to software easier and more simplified for Red Ventures. CrossBorder Solutions made



onboarding easy with straightforward questions, and since deliverables were on schedule, it left enough time for our tax team to review and make strategic decisions. "We had the same level of expertise as we did at the Big Four—if not better," said Salort.

CrossBorder Solutions' consultative approach to the partnership with Red Ventures meant that there was a high degree of collaboration, as well as responsive and professional communication. Red Ventures could now proactively approach its transfer pricing, which helped the tax department deliver greater business value. CrossBorder Solutions' team of economists provided consulting and education on how tax authorities view transfer pricing documentation and how to think about related-party arrangements. This allowed Red Ventures' tax professionals to identify intercompany transactions, value drivers, and intellectual property resulting from those transactions.

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CrossBorder Solutions was able to help Red Ventures identify areas of potential risk and proactively address them. One example was how Red Ventures, could identify service transactions that generated intellectual property in foreign jurisdictions, and could create legal licensing agreements and properly allocate profits. The solution also took the guesswork out of benchmarking searches by producing reliable comparable data, reducing the risk of audits and adjustments, and enabling Red Ventures to maintain a better global tax position.

**Integrating Tax into the Business Strategy,
Delivering Business Value**

With CrossBorder Solutions, Red Ventures could tackle more than just transfer pricing documentation—they've been able to incorporate tax into part of the company's business plan. "Working with CrossBorder Solutions connected us with the business more," says Salort. "The business folks know exactly what we're doing, and they understand the importance of it."

By looking at the company holistically, Red Ventures was able to identify and understand key value drivers and how to allocate profits based on that value-add. Understanding how key functions make

up the value chain also enables the company to produce more detailed documentation. Red Ventures has been able to apply a single, organic process to the entire group, base transfer prices on reliable comparable data, and allocate profits in advantageous jurisdictions, which saves money and adds to the company's bottom line.

"We have saved millions of dollars in taxes thanks to CrossBorder Solutions," says Salort. "We're extremely confident that we have well documented, accurate reports and that we're in a stronger global tax position thanks to our work with CrossBorder Solutions."

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About CrossBorder Solutions

CrossBorder Solutions was founded in 1996 and quickly became an industry leader in transfer pricing compliance. The company was sold to Thomson Reuters in 2007, and in 2017 was re-established under the original management team with the goal to provide tax compliance software and services to multinational corporations. CrossBorder Solutions is now the global leader in technology-driven tax solutions for transfer pricing, R&D tax credits, and tax provision.

CrossBorder Solutions is backed by leading institutional partners such as Insight Partners and Savant Growth. These firms have invested over \$100m into the company to support ongoing growth.

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