

From entity X in country A to entity Y in country B

	country A division X	country B division Y
CIT rate	40%	10%
COS for division X	300	600
Selling price		
TP		
scenario a:	550	
scenario b:	350	
Profit margin	250	50
CIT	100	5
Total CIT		105
Effective CIT		35% scenario a
	83%	17% profit split
Profit margin	50	250
CIT	20	25
Total CIT		45
Effective CIT		15% scenario b
	17%	83% profit split

Tax saving in case of shift in TP from 550 to 350 is:

Country B

Rate for division Y

133%