The report contains revisions to the OECD Transfer Pricing Guidelines to align transfer pricing outcomes with value creation. The revised guidance focuses on the following key areas: transfer pricing issues relating to transactions involving intangibles; contractual arrangements, including the contractual allocation of risks and corresponding profits, which are not supported by the activities actually carried out; the level of return to funding provided by a capital-rich MNE group member, where that return does not correspond to the level of activity undertaken by the funding company; and other high-risk areas. The report also sets out follow-up work to be carried out on the transactional profit split method which will lead to detailed guidance on the ways in which this method can appropriately be applied to further align transfer pricing outcomes with value creation.

This book provides an introduction to transfer pricing as it is practiced today, including the recent changes to the OECD transfer pricing guidance following the Base Erosion and Profit Shifting (BEPS) initiative. It also explains how to implement transfer pricing models in global multinationals, how to monitor transactions to ensure compliance and how to create transfer pricing documentation. This edition has been revised to cover the 2015 OECD BEPS report on Action 8-19 and Action 13, released in September 2015. The book examines, among others: types of transactions (tangible goods and intra-group services); financing; intangible property; profit split; business restructuring; transfer pricing documentation; operational transfer
pricing; tax audits and eliminating double taxation and UK transfer pricing legislation. The 2001 edition of Transfer Pricing Guidelines was substantially revised in July 2010. See the current edition. This compact version of Transfer Pricing Guidelines provides the complete and current text of the OECD pricing guidelines accepted by OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations provides guidance on the valuation for tax purposes of cross-border transactions between associated enterprises. Practical Guide to U.S. Transfer Pricing is a total approach to U.S. transfer pricing for the complex global marketplace. No book on the market today offers you a more thorough approach to transfer pricing rules that Practical Guide to U.S. Transfer Pricing. The tremendous increase in international trade among the nations of the world has made transfer pricing the most important international tax issues for governments. Thus, it is a major problem for major multinational corporations, which are subject to detriments from transfer pricing rules and adjustments, especially double taxation, penalties, and the cost of compliance. Packed with ready-to-use guidelines, detailed examples, and useful tips, Practical Guide to U.S. Transfer Pricing has been specifically designed to help you make today’s transfer pricing rules work for your corporation. The book brings together for the first time, a wealth of features that will empower you to deal quickly and efficiently with all transfer pricing issues and problems. You will find: unsurpassed coverage of U.S. transfer pricing substantive rules incisive comparisons of the U.S. rules to the international accepted OECD Transfer Pricing Guidelines information on both special and traditional procedures for transfer pricing cases comprehensive explanations of all major transfer pricing methods, such as the comparable uncontrolled price method, cost plus method, comparable profits methods, and profit split method criteria for choosing the best transfer pricing method ideas on how to cope with the U.S. rules in light of foreign requirements a checklist that multinationals can use in developing an international strategy for transfer pricing compliance a full description of the proposed method of global trading of financial products. The OECD’s Base Erosion and Profit Shifting (BEPS) project promises to make effective inroads into the much criticized corporate tax strategy known as aggressive transfer pricing, whereby the profitability of subsidiaries
in different jurisdictions is “managed” via mispricing with the intent of minimizing the corporation’s overall tax burden. Although the OECD BEPS project is an ongoing endeavor, its accomplishments to date and developing trends are discernible. This book, including contributions by outstanding and renowned transfer pricing experts both from practice and academia, analyses these trends, and proposes reforms which would ensure that transfer pricing outcomes are better aligned with economic activities and value creation, which achieves a more equitable distribution of profits among different countries. Each chapter is dedicated to specific sections of the OECD’s BEPS Action Plan. Among the topics and issues covered are the following: – arm’s length principle and its ongoing development; – allocation of risk and recharacterization; – intangibles (both license model and cost contribution arrangements); – interest deductions and intra-group financing; – low value-adding services; – commissioner arrangements and low-risk distributors; – attribution of profits to permanent establishments; – documentation requirements (including Country-by-Country Reporting). Within these topics, measures to identify the commercial and financial relationships inside multinational enterprises, to accurately delineate actual transactions, as well as guidance on defining risk and its allocation among entities of a multinational enterprise are discussed. The book is based on papers presented and discussed at the first Global Transfer Pricing Conference hosted in February 2016 by the WU Transfer Pricing Center at the Institute for Austrian and International Tax Law at WU (Vienna University of Economics and Business). The most up-to-date and thorough consideration of transfer pricing yet published, this book will prove invaluable for all parties currently facing questions related to transfer pricing in a post-BEPS world, especially those in charge of finding an ideal answer to them: academics, practitioners (including in-house and advisory counsel), international organizations, CEOs and CFOs of multinational enterprises, and government officials who are tax and transfer pricing experts. Virtually all international taxation provisions ultimately stem from two fundamental sources, both originating at the OECD: The Model Tax Convention (on which more than 3,000 bilateral tax treaties are based), and the Transfer Pricing Guidelines. During 2010, major revisions were made to both. This unique book provides an expert analysis of current, important topics in international taxation and
transfer pricing. As such, it is a welcome and valuable resource for tax lawyers and consultants, corporate tax advisers, government officials and others involved in the international tax law market, as well as for academics and researchers in the field. Via a global analysis of more than 180 transfer pricing cases from 20 representative jurisdictions, Resolving Transfer Pricing Disputes explains how the law on transfer pricing operates in practice and examines how disputes between taxpayers and tax administrations are dealt with around the world. It has been designed to be an essential complement to the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, which focus on transfer pricing issues but do not refer to specific transfer pricing disputes. All of the transfer pricing cases discussed in the book are linked to the relevant paragraphs of the OECD Guidelines by means of a 'Golden Bridge', namely a table listing the cases according to the paragraphs of the Guidelines to which they refer. It therefore provides examples of the application of the Arm's Length Principle in many settings on all continents. This report presents studies and data available regarding the existence and magnitude of base erosion and profit shifting (BEPS), and contains an overview of global developments that have an impact on corporate tax matters.


Learn OECD guidance on business taxation in multiple countries. A business that is not aware of all of its exposure to the tax policy of each country in which it does business may find itself paying more in taxes than the share of profit it generates. The Organisation for Economic Co-operation and Development (OECD) seeks to reduce the risk of business taxation in multiple countries. Transfer Pricing Handbook explores how countries can apply the OECD Guidelines to tax businesses that conduct their endeavors in more than one country. It is the ultimate comprehensive guide for companies doing business globally. Helps companies properly price their goods and services for global markets.

Provides defenses for transfer pricing audits. Provides standards for creating comparables that multijurisdictional tax administrations will accept. Guides documentation requirements and timing issues.

If you're doing business in more than one country, Transfer Pricing Handbook is a must-have, essential guide for simplifying OECD regulations for your global company. This consolidated version of the OECD Transfer Pricing Guidelines includes the revised guidance on safe harbours adopted in 2013, as well as the recent amendments made by the Reports on Actions 8-10 and 13 of the BEPS Actions Plan and conforming changes to Chapter IX. The OECD Transfer Pricing Guidelines provide guidance on the application of the “arm’s length principle”, which is the international consensus on transfer pricing, the valuation, for tax purposes, of cross-border transactions between associated enterprises.

How many of us still have time to read 600+ page guidelines? How many of us have time to take those guidelines and combine them with chapters adopted after the guidelines were published? How does a student begin to study a work of this size, without getting hopelessly lost? This book reflects my love for systematic thinking and reducing clutter. It is aimed at giving fast, accurate, information through diagrams and summaries. In this book, the 2017 OECD Transfer Pricing Handbook.
Pricing Guidelines are summarized three times: first as a one-page overview, then as a longer executive summary and finally as an extended summary of most of the paragraphs of the 2017 OECD Transfer Pricing Guidelines. The extended summary references the actual paragraphs in the 2017 OECD Transfer Pricing Guidelines. As the 2017 OECD Transfer Pricing Guidelines is a live document, which is continuously updated, I will substitute existing the 2017 OECD Transfer Pricing Guidelines chapters and paragraphs with draft and final material published after 2017. These texts are clearly marked and will first concern the profit allocation to PEs, the profit split method and financial transactions, when those documents are finalised by the OECD. All references within the book are hyperlinked for fast and easy reading between texts. This book does not pretend to be a replacement of the 2017 OECD Transfer Pricing Guidelines; it is an introduction, giving an overview of the wide variety of topics covered, with paragraph references to the underlying Guideline paragraphs, so that we know where to find them. The original work can be bought from the OECD at http://www.oecd.org/tax/transfer-pricing/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-20769717.htm. For more information about me, please see my website (www.johannmuller.net), my YouTube channel, Taxpics (https://www.youtube.com/user/taxpics) and my LinkedIn profile (https://www.linkedin.com/in/johannhmuller). This book explores transfer pricing issues related to intra-group financing transactions. It is an invaluable resource for tax practitioners, tax lawyers, tax managers, tax directors of corporations, treasurers and tax authorities, in all facets of transfer pricing and intra-group financing. This supplement updates the core volumes, Feinschreiber/Transfer Pricing Handbook, Third Edition (ISBN 0471-406619) and Transfer Pricing International: A Country by Country Guide (ISBN 0471-385239). This interim report of the OECD/G20 Inclusive Framework on BEPS is a follow-up to the work delivered in 2015 under Action 1 of the BEPS Project on addressing the tax challenges of the digital economy. The OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations provide guidance on the application of the “arm’s length principle”, which is the international consensus on transfer pricing, i.e. on the valuation, for tax purposes, of cross-border transactions between associated
enterprises. In a global economy where multinational enterprises (MNEs) play a prominent role, transfer pricing is high on the agenda of tax administrators and taxpayers alike. Governments need to ensure that the taxable profits of MNEs are not artificially shifted out of their jurisdictions and that the tax base reported by MNEs in their respective countries reflect the economic activity undertaken therein. For taxpayers, it is essential to limit the risks of economic double taxation that may result from a dispute between two countries on the determination of an arm’s length remuneration for their cross-border transactions with associated enterprises. Following this original 1979 publication, the OECD Transfer Pricing Guidelines were approved by the OECD Council in their original version in 1995. A limited update was made in this 2009 edition, primarily to reflect the adoption, in the 2008 update of the Model Tax Convention, of a new paragraph 5 of Article 25 dealing with arbitration, and of changes to the Commentary on Article 25 on mutual agreement procedures to resolve cross-border tax disputes. A subsequent edition was released in 2010, in which, Chapters I-III were substantially revised, with new guidance on: the selection of the most appropriate transfer pricing method to the circumstances of the case; the practical application of transactional profit methods (transactional net margin method and profit split method); and on the performance of comparability analyses. Furthermore, a new Chapter IX, on the transfer pricing aspects of business restructurings, was added. Consistency changes were made to the rest of the Guidelines. Digitised document - Electronic release on 24/11/2011. The taxation of multinational corporate groups has become a major concern in the academic and political debate on the future of international taxation. In particular the arm’s length standard for the determination of transfer prices is under increasing pressure. Many countries and international bodies are now taking a closer look at the use of transfer prices for profit shifting and are exploring alternative mechanisms such as formulary apportionment for the allocation of taxing rights. With regard to this topic, this volume is the first to offer a concise analysis of transfer pricing in the international tax arena from an interdisciplinary legal and economic point of view. Fundamentals such as the efficient allocation of resources within multi-unit firms and distortions between different goals of transfer pricing as well as different aspects of it in tax and corporate law, the traditional
OECD approach and practical aspects concerning intangibles, capital and risk allocation are covered by outstanding authors. Transfer pricing continues to be one of the most significant areas of heightened controversy in international taxation for multinational enterprises and tax administrations. Due to its far-reaching consequences, tax professionals and individual tax jurisdictions are required to understand the fundamentals of the topic, which is often caught in a maze of literature. Emerging from the joint research conducted by the WU Transfer Pricing Center at the Institute for Austrian and International Tax Law at WU (Vienna University of Economics and Business), the international tax law firm L&P – Ludovici Piccone & Partners, and the experiences from the annual advanced transfer pricing courses and conferences, this first edition of the book acts as a manual for understanding transfer pricing principles and their practical application. It provides a balanced approach by first detailing the basics of transfer pricing and second proceeding to specific topics that are highly relevant in today's tax environment. For the purpose of easy understanding, the book is presented in two parts: Part I: General Topics I. Introduction to Transfer Pricing II. Accurate Delineation and Recognition of Actual Transactions: Comparability Analysis III. Transfer Pricing Methods (Part I): Traditional Transaction Methods IV. Transfer Pricing Methods (Part II): Transactional Profit Methods V. Administrative Approaches to Avoiding/Minimizing Transfer Pricing Disputes VI. Administrative Approaches to Resolving Transfer Pricing Disputes VII. Transfer Pricing Documentation: Master File, Country File and Country-by-Country Reporting Part II: Specific Topics VIII. Attribution of Profits to Permanent Establishments IX. Transfer Pricing and Intra-group Services X. Transfer Pricing and Intra-group Financial Transactions XI. Transfer Pricing and Intangibles XII. Transfer Pricing, Supply Chain Management and Business Restructurings XIII. Transfer Pricing and Customs Valuation XIV. Transfer Pricing and EU State Aid In analysing the above topics, the work undertaken by the OECD, UN, EU, World Customs Organization, World Bank, International Monetary Fund and other international organizations is considered. Moreover, the book contains several practical examples, judicial precedents and illustrative explanations to complement the understanding. The book will be a catalyst for immense learning of students
and young professionals who are at the introductory stage of understanding the nuances of transfer pricing. Further, the book also caters to tax lawyers, in-house tax counsels and academics working in international organizations, the business community and advisory firms as well as government officials interested in understanding transfer pricing. Luxembourg companies may enter into diverse commercial and financial transactions with associated enterprises. The prices charged in regard to these controlled transactions are called transfer prices. For Luxembourg tax purposes, these prices have to adhere to the "arm’s length principle". The arm’s length principle is the international transfer pricing standard that OECD member countries have agreed should be used for tax purposes by multinational enterprises and tax administrations. The arm’s length principle requires that the consideration for any transaction between related parties conform to the level that would have been agreed if the transaction were to have taken place between unrelated parties under comparable circumstances. The arm’s length principle is firmly ingrained in Luxembourg tax law and has been explicitly stated in article 56 of the Luxembourg Income Tax Law (LITL). In addition, several concepts and provisions under Luxembourg tax law require the arm’s length standard to be respected by Luxembourg companies. As a member of the OECD, Luxembourg adheres to the organization’s Transfer Pricing Guidelines which reflect the consensus of OECD Member countries towards the application of the arm’s length principle as provided in article 9(1) of the OECD Model Tax Convention. Notably, this provision is frequently included in tax treaties concluded by Luxembourg. Transfer pricing and the OECD Guidelines received a lot of attention during the OECD/G20 in their Base Erosion and Profit Shifting (BEPS) initiative. Four of the fifteen BEPS Actions aimed at providing new or changing existing transfer pricing guidance and related documentation requirements. As a result thereof, several chapters of the OECD Guidelines have been significantly amended or replaced in the 2017 Revision thereof. This book analyses all facets of Luxembourg transfer pricing rules and relevant guidance in the 2017 version of the OECD Guidelines. As such, it should enable readers to delve. This report addresses the practical administration of transfer pricing programmes by tax administrations. Addressing base erosion and profit shifting (BEPS) is a key priority of governments. In 2013,
OECD and G20 countries, working together on an equal footing, adopted a 15-point Action Plan to address BEPS. This publication is the final report for Actions 8-10. "Business restructurings are a reaction to global competitive pressures and changing market demand. In response to market forces, multinational enterprises (MNEs) may be able to retain their profit margins only by undertaking a restructuring. By drawing together divergent views, Transfer Pricing and Business Restructurings highlights the main tax issues that arise when business restructurings take place. It provides fundamental information about the drivers of business restructurings and business models, examines the application of Art. 9 of the OECD Model Convention and considers not only the direct tax issues in business restructuring, but also VAT and customs duties."--Extracted from publisher website on March 30, 2015. This action plan, created in response to a request by the G20, identifies a set of domestic and international actions to address the problems of base erosion and profit sharing. Recent years have seen unprecedented public scrutiny over the tax practices of Multinational Enterprise (MNE) groups. Tax policy and administration concerning international transactions, aggressive tax planning, and tax avoidance have become an issue of extensive national and international debate in developed and developing countries alike. Within this context, transfer pricing, historically a subject of limited specialist interest, has attained name recognition amongst a broader global audience that is concerned with equitable fiscal policy and sustainable development. Abusive transfer pricing practices are considered to pose major risk to the direct tax base of many countries and developing countries are particularly vulnerable because corporate tax tends to account for a larger share of their revenue. This handbook is part of the wider WBG engagement in supporting countries with Domestic Resource Mobilization (DRM) by protecting their tax base and aims to cover all relevant aspects that have to be considered when introducing or strengthening transfer pricing regimes. The handbook provides guidance on analytical steps that can be taken to understand a country’s potential exposure to inappropriate transfer pricing (transfer mispricing) and outlines the main areas that require attention in the design and implementation of transfer pricing regimes. A discussion of relevant aspects of the legislative process, including the formulation of a transfer pricing policy, and the role and content of
administrative guidance, is combined with the presentation of country examples on the practical application and implementation of the arm’s length principle and on running an effective transfer pricing audit program. Recognizing the importance of transfer pricing regulation and administration for the business environment and investor confidence, this handbook aims to balance the general objective of protecting a country’s tax base and raising additional revenue with investment climate considerations wherever appropriate. The OECD Transfer Pricing Guidelines provide guidance on the application of the “arm’s length principle”, which is the international consensus on transfer pricing, the valuation, for tax purposes, of cross-border transactions between associated enterprises. Transfer pricing is one of the most important issues for multinational companies as they strive to ensure that each company in the group earns a fair share of the profits after considering its functions and risks. Tax authorities, however, are concerned that the inter-company transfer prices are being used to reduce taxable profits in their jurisdiction. This has resulted in a sharp rise in transfer pricing regulations and enforcement, which makes transfer pricing controversies a major tax issue for companies, and particularly so in an era when base erosion and profit shifting (BEPS) issues are taking centre stage. 0This book contains the official text of the 2010 OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, together with information on transfer pricing in selected countries. The countries were chosen on the basis of their geographical and economic importance as well as the amount of transfer pricing activity. Each country chapter provides a concise description of the current transfer pricing laws, guidelines and methodologies in practice in that particular country, and the information is presented in a domestic as well as an international context. Addressing base erosion and profit shifting (BEPS) is a key priority of governments. In 2013, OECD and G20 countries, working together on an equal footing, adopted a 15-point Action Plan to address BEPS. This publication is the final report for Action 13. This is the first book to present a sustained analysis and critique of arm's length based transfer pricing rules following the G20 / OECD Base Erosion and Profit Shifting (BEPS) project. The book considers the nature and scope of transfer pricing rules based on the arm's length principle starting with an explanation of how the rules were created
and and how they evolved over time. It provides how internationally accepted transfer pricing rules were applied immediately prior to the BEPS project, and describes the principal problems that had arisen with those rules. The issues highlighted include problems relating to the complexity of the rules, the use and availability of comparables, and, in particular, problems permitting avoidance and income shifting, including problems related to low tax entities with 'excessive capital'. Having described the pre-BEPS rules and inherent problems, the book goes on to examine the extent to which the work undertaken by the BEPs project provides a solid foundation for future transfer pricing determinations and the problems that remain after BEPS. It identifies those issues on which the BEPS output has been positive, and also those issues which BEPS has not successfully addressed and which remain problematic. This book is the most detailed and up-to-date publication on this highly topical and often controversial topic. Despite the vast literature on the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD Guidelines), its status has received little consideration. The image in the literature is that the OECD Guidelines is a significant publication, given the substantial cross-border trade between associated enterprises. In the OECD/G20 BEPS Project, the Final Report on Actions 8-10, published in 2015, revised the OECD Guidelines as part of the sweeping measures to counter aggressive tax avoidance by certain multinational enterprises (MNEs), such as Google LLC, Facebook Inc. and Apple Inc. BEPS Actions 8-10, inter alia, revised the guidance on intangibles and cost contribution arrangements to prevent profits from intangibles being allocated to low-tax jurisdictions. As anticipated, the OECD has reported that transfer pricing disputes are rising. In particular, BEPS Action 14, on dispute resolution, requires tax treaties to include article 9(2) of the OECD Model Tax Convention, on corresponding transfer pricing adjustments, in tax treaties. Moreover, BEPS Action 14 (element 1.1 of the minimum standard) requires that access to the mutual agreement procedure be available for transfer pricing cases in tax treaties and that countries implement the resulting mutual agreements. As a minimum standard, members of the Inclusive Framework are obliged to implement this measure, which further elevates the status of the OECD Guidelines, as resulting disputes will be resolved on the basis of the principles in the OECD
Guidelines. The membership of the Inclusive Framework exceeds 135 countries. As there is a dearth of transfer pricing case law, the consequence is that courts have only established limited jurisprudence on the topic. One Australian transfer pricing case concluded that the OECD Guidelines had no formal status in treaty interpretation. It is asserted in this article that the OECD Guidelines is part of the Commentary accompanying the OECD Model Convention on Income and on Capital. Even so, it is argued that treaty countries should not only use the OECD Guidelines as a guidance document in their domestic rules, but expressly state in their tax treaties that the OECD Guidelines are to be used for the interpretation of the associated enterprises article. In addition, the treaty statement should specify whether the static or ambulatory approach should be applied. This article asserts that the best way forward is for the OECD to illuminate the status of the OECD Guidelines by including a clear statement in the Commentary on the intrinsic character of the OECD Guidelines and expressly identify which parts of the OECD Guidelines form part of the Commentary, adapting the approach taken in the Commentary on the business profits article incorporating the 2010 Report on the Attribution of Permanent Establishments.