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 inter-disciplinary 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.

This document contains an unofficial English translation by the Netherlands’ Ministry of Finance of Decree No. IFZ 2001/295M, officially published in Dutch on 30 March 2001. Rights can only be derived from the original Dutch text of the decree.

Bachelor Thesis from the year 2015 in the subject Economics - International Economic Relations, Management Center Innsbruck, language: English, abstract: Due to increased globalisation over the last years and enhanced activities of multinational enterprises (MNEs), intra-firm trade has become more and more important. Intra-firm trade is estimated to constitute about one third of the global trade; and about 50% of all exports within the member states of the Organisation for Economic Co-operation and Development (OECD) are intra-firm exports. In order to determine the expenses and revenues for the associated companies, transfer prices (TP) have to be set for the respective goods of intra-group transfers (Organisation for Economic Co-operation and Development [OECD]). Intra-group transfers can be defined as the transaction of tangible or intangible property from one entity of a MNE to another entity, considered as sale and “may apply to departments, divisions, subsidiaries, or affiliate business units”. A TP therefore is the internal monetary value imposed on goods, services or unmanufactured material that is transferred within a MNE group. According to the OECD (2010) intra-firm transfers are likewise defined as controlled transactions (i.e., transactions between two associated enterprises).

The revised OECD Guidelines provide new guidance on risk allocation: however, the framework on risk analysis adds an extra layer of complexity to the transfer pricing analysis. Taxpayers should take a proactive stance and carefully consider and document the allocation of risks in controlled transactions.

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.

The increase in global trade and foreign direct investment has seen a large rise in companies operating across national borders. The growth of these multinational companies (MNCs) has been closely followed by the issue of inter-company transfer prices being used to reduce taxable profits. Today, transfer pricing is one of the most important issues facing MNCs as they attempt to fairly distribute their profits amongst each company in the group while dealing with tax authorities who are implementing transfer pricing regulations and strengthening enforcement in order to prevent a loss of revenue. The result of which is that transfer pricing controversies have become a major tax issue for companies.

"These guidelines are a revision of the OECD report Transfer pricing and multinational enterprises (1979)" – Foreword.

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. This 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.

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 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).
Value Creation and its effects on Transfer Pricing and tax law. Emerging from the OECD/G20 BEPS Project, a new, somewhat fuzzy notion of Value Creation came to permeate not only Transfer Pricing language but also wider allocation rules and anti-abuse provisions in international tax law. The notion of ‘Value Creation’ reframes the interpretation and application of the Arm’s Length Principle (ALP) that is embedded in Articles 7 and 9 of the OECD Model Convention. This new Value Creation notion and approach assist in understanding key enterprise functions while different industry sectors manifest these concepts in various ways. Situating such notions and this approach within the law of tax treaties and analyzing terms of the OECD Transfer Pricing Guidelines alongside their factual context is the aim of this book. Here, law students address Transfer Pricing and Value Creation in sectors as varied as commodities trade, automotive, consumer products, food and beverages, pharmaceutical and life sciences, telecommunications, and the key topic of value creation in a digitalized economy. Our LL.M. students were required to address issues not explored in legal research and to discuss factual topics relevant for Transfer Pricing. All students focused on topics that are new to the international tax debate that keep evolving and on factual matters that often escape legal research.

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, the valuation, guidelines and methodologies in practice in that particular country, and the information is presented in a domestic as well as an international context. Each country chapter provides a concise description of the current transfer pricing laws, 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. 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 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.

The position of soft obligations as legal sources is a continuously discussed topic in international law. As policy documents, guidelines and non-binding agreements often are...describes and interprets the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations of the Organization for Economic Cooperation and Development (OECD), as last revised in 2010. Practitioners will most often encounter the Guidelines in tax audits and competent authority proceedings where the Guidelines are used to shed light on the transfer pricing regulations of a particular country or to reconcile seemingly contradictory transfer pricing rules of two countries. The OECD Guidelines were heavily influenced by transfer pricing developments in the United States, and the portfolio draws attention to analogs and potential discrepancies between the Guidelines and the U.S. transfer pricing regulations. Proceedings of a seminar held in London, in 1998 during the 52nd congress of the International Fiscal Association. The position of soft obligations as legal sources is a continuously discussed topic in international law. As policy documents, guidelines and non-binding agreements often are regularly updated, the question of the applicability of different editions to various points in time may arise. The OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD Guidelines) were revised most recently in July 2017, and these timing issues therefore appear in, for example, the undertaking of historical transfer pricing reviews and audits of years prior to the release of the updated OECD Guidelines. This article explores the arguments for using the new edition of the OECD Guidelines by comparison to an approach discussed in literature on finding guidance from different versions of the OECD Model Tax Convention (OECD Model) and its Commentary. 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 and new requirements on transfer pricing documentation and country-by-country reporting are being implemented by governments.0 0This book contains the official text of the 2017 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.0 0This book contains the official text of the 2017 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.
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In this book, the 2017 OECD Transfer 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. The book follows the order of topics as given in the actual guidelines, albeit that I have added Annexes to the different chapters in the chapters where they belong. This book is only descriptive: I have not given my opinion about the choices made, though it is difficult to make a summary without some degree of interpretation. 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 ... 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 for Multinational Enterprises and Tax Administrations are of the utmost importance in the sphere of transfer pricing. Unlike article 9 of the OECD Model, which is rather general in wording, the OECD Transfer Pricing Guidelines offer a detailed guidance on transfer pricing methodology. The significance of the OECD Transfer Pricing Guidelines became even more noticeable when the BEPS Project was completed, because numerous changes to the global transfer pricing regime were envisaged in the amended guidelines and not in the text of the OECD Model itself. The aim of this article is to analyse the status of the OECD Transfer Pricing Guidelines in international and Polish domestic law, as well as current practice of their application. OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017OECD Publishing Learn OECD guidance on business taxation in multiple countries A business that is not aware of all of its exposure to the taxpolicy of each country in which it does business may find itselfpaying more in taxes that 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 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. 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, thereby making transfer pricing controversies a major tax issue for companies.00This 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. 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This reference booklet, in addition to containing the OECD’s Transfer Pricing Guidelines, provides an excellent overview of transfer pricing rules and regulations in 35 countries and is a handy guide for those actively working in the field of transfer pricing.--Publisher's description. 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 155 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.

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