Transfer Pricing And The Arms Length Principle After Beps | 8ee75c9afe6699bea23c48960f4f37d7

Multinational Enterprises and Tax Administrations 2017

**Uniform Issue List**

Transactions involving intellectual property play an increasingly significant role in economic activity at every level from global to local, with particular challenges for taxation and revenue authorities. Moreover, the manifold complexities associated with identifying, valuing and transferring intangibles make this an issue requiring a creative review of existing transfer pricing methodologies and techniques. In this ground-breaking new study, Michelle Markham offers an in-depth examination of attitudes at the forefront of this rapidly evolving area of taxation law, focusing her work on a comparative analysis of the US, OECD, and Australian perspectives on the transfer pricing of intangible assets. The Transfer Pricing of Intangibles not only highlights the current problems encountered in inter-affiliate transactions of intangible property, but also attempts to offer a variety of solutions to these problems. Among the issues explored are the following: how the tax treatment of intangible in the context of transfer pricing has become a major international tax concern; definitional issues which are vital to an understanding of transfer pricing; application of the arm's length principle to intangible asset transactions; determination of legal and economic ownership of group intangible assets; intangible asset valuation and transfer; transfer pricing methodologies; global formulary apportionment; transfer pricing documentation requirements; penalties for non-compliance; resolution of transfer pricing disputes; and, advance pricing agreements. Revenue authorities, multinational enterprise executives, and tax practitioners around the world will greatly appreciate the recommendations and solutions proposed in this knowledgeable and thoughtful book. Its acute sense of the opportunities and pitfalls of an ever-more-complex area of economic activity place it in a category of its own, of inestimable benefit to interested parties.
**At A Cost: the Real Effects of Transfer Pricing Regulations**

Internal Pricing surveys of the transfer pricing literature with a focus on commonly-used pricing schemes using incomplete contracting models. Chapter 2 develops the basic symmetric information model to compare the performance of cost-based and negotiated pricing in the absence of external input markets. Chapter 3 considers market-based pricing and the role of internal price adjustments; it ignores investments and focuses solely on trading incentives. Chapter 4 adds investments to the model of Chapter 3 and shows that investment opportunities further strengthen the case for internal adjustments. Chapter 5 reconsiders the initial analysis of Chapter 2 for the case of asymmetrically informed divisional managers. The book ends with the author's conclusions and an appendix including the mathematical proofs. A key theme running through Internal Pricing is that the firm's central office (i.e. headquarters) plays a rather limited role in mediating individual transactions. This captures the stylized empirical fact that in most firms, headquarters designs the broad "rules of the game" by choosing a pricing mechanism and compensation contracts, but usually does not get involved in pricing on a product-by-product basis.

**International Transfer Pricing**

This report addresses the practical administration of transfer pricing programmes by tax administrations.

**Transfer Pricing in China**

A comprehensive guide to corporate practices in internal control and tax compliance. Included are case studies of how firms in a variety of industries approach transfer pricing.

**Transactional Adjustments in Transfer Pricing**
Unilateral adoption of transfer pricing regulations may have a negative impact on real investment by multinational corporations (MNCs). This paper uses a quasi-experimental research design, exploiting unique panel data on domestic and multinational companies in 27 countries during 2006-2014, to find that MNC affiliates reduce their investment by over 11 percent following the introduction of transfer pricing regulations. There is no significant reduction in total investment by the MNC group, suggesting that these investments are most likely shifted to affiliates in other countries. The impact of transfer pricing regulations corresponds to an increase in the "TPR-adjusted" corporate tax rate by almost one quarter.

**Contemporary Application of the Arm's Length Principle in Transfer Pricing**

This article discusses the interactions between Controlled Foreign Company (CFC) regulations and transfer pricing (TP) regulations.

**Transfer Pricing and the Arm's Length Principle After BEPS**

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.

**Transfer pricing og arms længde princippet**

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.

**Internal Pricing**

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.

**The Transfer-Pricing Audit: An Hegemonian Hoax for Tax-Avoidance? A Critical Inquiry in the Framing of Transfer Pricing in the Zambia Revenue Authority**

Conference documentation convened by the ATI (American Tax Institute in Europe) held on 11 and 12 June 1992, in Paris. Key topics include: Overview of the new proposed Sec. 482 Regulations, technical provisions, policy objectives & enforcement strategies; developing and defending transfer pricing procedures; determining an arms length price under the proposed regulations: a case study for tangibles; determining an arms length price under the proposed regulations: a case study for intangibles; determining an arms length price under the
proposed regulations: a case study for cost-sharing; the risk of double taxation: will Europe accept the new principles?

Transfer Pricing for Intangibles

The debates about the what, who, and how of tax policy are at the core of politics, policy, and economics. The Economics of Tax Policy provides a straightforward overview of recent research in the economics of taxation. Tax policies generate considerable debate among the public, policymakers, and scholars. These disputes have grown more heated in the United States as the incomes of the wealthiest 1 percent and the rest of the population continue to diverge. This important volume enhances understanding of the implications of taxation on behavior and social outcomes by having leading scholars evaluate key topics in tax policy. These include how changes to the individual income tax affect long-term economic growth; the challenges of tax administration, compliance, and enforcement; and environmental taxation and its effects on tax revenue, pollution emissions, economic efficiency, and income distribution. Also explored are tax expenditures, which are subsidy programs in the form of tax deductions, exclusions, credits, or favorable rates; how college attendance is influenced by tax credits and deductions for tuition and fees, tax-advantaged college savings plans, and student loan interest deductions; and how tax policy toward low-income families takes a number of forms with different distributional effects. Among the most contentious issues explored are influences of capital gains and estate taxation on the long term concentration of wealth; the interaction of tax policy and retirement savings and how policy can "nudge" improved planning for retirement; and how the reform of corporate and business taxation is central to current tax policy debates in the United States. By providing overviews of recent advances in thinking about how taxes relate to behavior and social goals, The Economics of Tax Policy helps inform the debate.

International Transfer Pricing: Current Developments
This publication thoroughly reviews the factual background to global trading, analyses the challenges posed to traditional taxation methods and discusses a range of policy options to tackle the problems.

**Transfer Pricing and Value Creation**

The purpose of this dissertation is to shed light on the persistence of tax-avoidance through transfer-pricing in the Zambian mining industry, beyond the capacity-paradigm. Building on the Foucauldian Turn in finance and accounting, this analysis approaches the practice of transfer as an artifact of dominant discourse, specifically the OECD-led capacity paradigm. Therefore, the meaning and practice of transfer pricing persists, despite a decade of capacity-building in the transfer pricing audit of the Zambia Revenue Authority. Along with the vested-interest critique of the OECD-led transfer-pricing regime, the central thesis of this dissertation is, even as the ZRA seeks to challenge the transfer-pricing practices of MNCs, it ultimately re-creates them, since the challenge it offers deploys the same hegemonic framing that allows transfer-pricing in the first place. The current meaning of transfer pricing is the practice of quantifying all transactions between related parties in a business group. In fact, this internal business practice bears significance for tax administrations, since corporate entities can avoid corporate income taxes by overpricing incoming transactions and overpricing outflowing ones. As a consequence of multilateral deadlock, the OECD Forum on Tax Administration fills the governance gap in international corporate taxation. An architecture of norm-setting instruments designed by tax-experts, that became the mode of governance in transfer-pricing. However, the cornerstones of the OECD-approach to transfer-pricing, the arms length and separate entity principle, leave wide discretion in application, both for the industry as for tax auditors. Despite, the recognition of the limits of the transfer-pricing framework, the cornerstones of the transactional transfer pricing approach as the root of the unimplementability charges maintain meaning throughout countermovement to tax avoidance in the form of the transfer-pricing audit. Drawing on the Poststructuralist Discourse Theory, the inquiry in the reproduction of transfer mispricing
exists out of a discourse analysis of how the ZRA auditors frame the transfer pricing audit, and thereby transfer-pricing, to discuss the naturalization of transfer-pricing that constrains countervailing efforts. In particular, insights in self-constraining power as power in the first dimension (Mosse, 2010), framing hegemonies (Howard, 2017) and the hierarchical structuring in discourse (Howarth, 2010) provide the methodological toolkit for the structuring effect of the auditors discourse. Secondly, to reveal how the dominant hegemonic frames shield of their constructs from doubt, even in interaction with contesting frames, a discourse analysis of Zambian civil society advocates reveals some alternatives positions to the meaning of transfer pricing to analyze divergence and interaction. Secondly, the auditors describe transfer-pricing as a form of business innovation that produces an inevitable catch up response of the tax authority. In this case, the financial capitalist ideology legitimizes the avoidance through this frame, where business innovation should count above all else. Actually, one of the implications of this frame is that the sanctioning of transfer mispricing is seen as a rather constructive business-government dynamic. On the other hand, the contrasting ethical frame of civil society sets different benchmarks of legitimate behavior by referring to the unethical outcome of the missed fiscal income in development challenges. At first glance, this frame is more effective in the creation of doubt about the legitimacy of the auditors benchmarks, especially since it builds legitimacy on the African subordination frame. To conclude, the illusive benchmarks of legitimate transfer-pricing places the authority to sanction in the hand of tax auditors, a community whose expert-knowledge is formed through similar discourses as those accused of profit-shifting. So, although the Zambian government wants to confront profit-shifting, the capacity-paradigm of the OECD, limits the available options. Not through coercion, but rather through the constrains our meanings of transfer-pricing put on us. As a result, the political authority to sanction abuse is left to a community that frames the pricing practices in similar ways as those avoiding taxes, and therefore unintentionally legitimize them.

Arm’s Length Transaction Structures
This publication is a response to the need, often expressed by developing countries, for clearer guidance on the policy and administrative aspects of applying transfer pricing analysis to some of the transactions of multinational enterprises (MNEs) in particular. Such guidance should not only assist policy makers and administrators in dealing with complex transfer pricing issues, but should also assist taxpayers in their dealings with tax administrations. Without an effective response to transfer pricing issues, profits earned in one jurisdiction might appear to be shifted to another jurisdiction. This may have the net effect of minimising tax revenues in a country where economic activity of the MNE takes place, and therefore the ability to finance country's development.

**Sustainability of the Arm's Length Principle. As the Basis for International Income Allocation in a Digitalising Economy**

**Action Plan on Base Erosion and Profit Shifting**

This book provides a concise and pragmatic introduction to transfer pricing. Approaching the subject from an economic and business perspective, it familiarizes the reader with the basic concepts without getting sidetracked by tax law. In turn, the book draws on case studies to demonstrate the identification and application of appropriate transfer pricing methods for the most common intercompany transactions. The intuitive step-by-step guidance, together with integrated Excel-based tools, will equip the reader to ensure compliance with the arm’s length principle and thus to minimize tax risk. Based on the post-BEPS OECD Guidelines, the book’s content is applicable to a global context.

**The Transfer Pricing Law Review**

"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.

**The Transfer Pricing of Intangibles**

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.

**Transfer Pricing and Developing Economies**

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.

**Transfer Pricing in One Lesson**

For multinational corporations (MNCs), there is arguably no more important operational function that affects all areas of manufacturing, marketing, management, and finance as international transfer pricing—the practicing of supplying products or services across borders from one part of the organization to another. Its complexity is compounded by the impact of e-commerce, speeding the flow of goods and services; "intangible" assets, such as intellectual property, whose value is difficult to quantify; and the activities of policymakers around the world to update their laws and regulations, in efforts to close loopholes that have historically encouraged tax avoidance. Abdallah provides an in-depth overview of these recent trends and developments, and offers practical insights for creating transfer pricing systems that maximize value for the company while remaining sensitive to local policies in all of the countries in which it operates.

**Multinational Firms in the World Economy**

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 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 BEPSs 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.

**Addressing Base Erosion and Profit Shifting**


The arm's length principle serves as the domestic and international standard to evaluate transfer prices between members of multinational enterprises for tax purposes. The OECD has adopted the arm's length principle in Article 9 of its Model Income Tax Convention in order to ensure that transfer prices between members of multinational enterprises correspond to those that would have been agreed between independent enterprises under comparable
circumstances. The arm's length principle provides the legal framework for governments to have their fair share of taxes, and for enterprises to avoid double taxation on their profits. This timely book contains a comparative analysis of the legal basis for the arm's length principle and the contents of the arm's length rules in US tax law as well as in the OECD Model Tax Convention and Transfer Pricing Guidelines. It includes a thorough review of international case law on transfer pricing from the United States, Canada, Australia, United Kingdom, Germany, France, the Netherlands, Denmark, Sweden, and Norway. The book ends with an analysis of the issues associated with the application of the arm's length principle for multinational enterprises in a global economy.

**Revolutionary Changes to the Arm's Length Principle Under the OECD BEPS Project: Have CFC Rules Become Redundant?**

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.

Critical Concerns in Transfer Pricing and Practice

Exchange Traded Funds Sovereign Wealth Funds, Transfer Pricing, & Cyber Crimes

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.

Transfer Pricing and Dispute Resolution

United Nations Practical Manual on Transfer Pricing for Developing Countries

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.

Spillovers in International Corporate Taxation
This Guide is a detailed overview of all aspects of transfer pricing in China. Produced in association with Transfer Pricing Associates, a specialist global transfer pricing firm, this is an essential work for any businessman trading with or conducting business in China. The book deals with all aspects of transfer pricing from a practical perspective, from designing and implementing a transfer pricing system, to managing China compliance and preparing for an audit.

**OECD/G20 Base Erosion and Profit Shifting Project Aligning Transfer Pricing Outcomes with Value Creation, Actions 8-10 - 2015 Final Reports**

**The Taxation of Global Trading of Financial Instruments**

This paper explores the nature, significance and policy implications of spillovers in international corporate taxation—the effects of one country’s rules and practices on others. It complements current initiatives focused on tax avoidance by multinationals, notably the G20-OECD project on Base Erosion and Profit shifting (BEPS). The paper draws on the IMF’s experience on international tax issues with its wide membership, including through technical assistance (TA), and on its previous analytical work, to analyze spillovers and how they might be addressed. In doing so, it goes beyond current initiatives to look at a wide set of possible responses.

**Transfer Pricing and the Arm's Length Principle in International Tax Law**

**Dealing Effectively with the Challenges of Transfer Pricing**

Depending on one's point of view, multinational enterprises are either the heroes or the
villains of the globalized economy. Governments compete fiercely for foreign direct investment by such companies, but complain when firms go global and move their activities elsewhere. Multinationals are seen by some as threats to national identities and wealth and are accused of riding roughshod over national laws and of exploiting cheap labor. However, the debate on these companies and foreign direct investment is rarely grounded on sound economic arguments. This book brings clarity to the debate. With the contribution of other leading experts, Giorgio Barba Navaretti and Anthony Venables assess the determinants of multinationals' actions, investigating why their activity has expanded so rapidly, and why some countries have seen more such activity than others. They analyze their effects on countries that are recipients of inward investments, and on those countries that see multinational firms moving jobs abroad. The arguments are made using modern advances in economic analysis, a case study, and by drawing on the extensive empirical literature that assesses the determinants and consequences of activity by multinationals. The treatment is rigorous, yet accessible to all readers with a background in economics, whether students or professionals. Drawing out policy implications, the authors conclude that multinational enterprises are generally a force for the promotion of prosperity in the world economy.

**The Economics of Tax Policy**

This book is intended to fill the void in topics not typically or fully captured by most business degree programs, but yet needed by business graduates to make their enlightenment complete or near complete. Up and Coming Business Students, Policy Makers and Informed Readers can also find this book very useful.

**Resolving Transfer Pricing Disputes**

**Global Transfer Pricing Solutions**
Net zoals het OESO/G20 BEPS-project vertrekt de scriptie vanuit de idee dat de belastingheffing plaatsvindt waar de waarde gecreëerd wordt. De auteur grijpt terug naar de basisbeginselen van het belastingrecht. De digitaliseringstrend blijkt potentieel aanleiding te geven tot de ontwikkeling van een eerder holistische dan een ondernemingsgerichte visie op waardecreatie.

**Transfer Pricing and Business Restructurings**

GLOBAL TRANSFER PRICING SOLUTIONS: 2004 covers the major transfer pricing regimes around the world with in-depth discussion and analysis of such topics as proactive transfer pricing management of post-merger integrations, e-commerce and intellectual property. This report was prepared by members of major law and accounting firms and senior international transfer pricing professionals at the largest multinationals. It covers a wide range of tools and techniques relevant to transfer pricing in Asia, Europe, Latin America, and North America.

**Fundamentals of International Transfer Pricing in Law and Economics**

This book outlines how the application of the arm?s length principle should be reconsidered in light of the initiative of the OECD and G20 to counter tax base erosion and profit shifting (BEPS). The arm?s length principle embedded in article 9 of the OECD Model is not an anti-avoidance rule and has been misidentified as the primary tool for tackling abusive practices. Transfer pricing analysis, commonly understood as examining economic substance, in reality examines whether related parties have the functional and financial capacity to perform the contracts they have entered into.

**Transfer Pricing and Customs Valuation**

Compilation of articles on the topic written by various authors, including: "A German tax
practitioner's view on the White Paper" by Christoph Bellstedt; "The Italian approach to cost-contribution arrangements and possible discrepancies with the US White Paper on transfer pricing" by Guglielmo Maisto.

**OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017**

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.

Copyright code: 8ee75c9afe6699bea23c48960f4f37d7