

Contents

<i>Preface</i>	ix
<i>Acknowledgements</i>	xi
<i>Table of cases</i>	xiii
<i>Table of statutes</i>	xv
<i>Table of other guidance</i>	xvii
<i>About the author</i>	xix

Chapter 1 Transfer pricing: What is it?	1
What is transfer pricing?	1
Where did transfer pricing come from? The growth of world trade	1
Where did transfer pricing come from? The growth of transfer-pricing rules	3
Defining the issue	3
The arm's-length standard – what and why?	5
A spreading fire – transfer-pricing legislation around the world	6
Modern business models	7
Chapter 2 OECD	11
Background to Article 9 and the Transfer-pricing Guidelines	11
Which version of the Guidelines?	12
The arm's-length principle	14
Setting prices v testing prices	16
The heart of transfer pricing: comparability	17
Other practical issues	20
Use of transfer-pricing methods	23
Transfer-pricing methods	24
Recent OECD developments	33
The rest of the book	35
Chapter 3 Types of transaction: Tangible goods	37
Introduction	37
Manufacturing	38
Distribution	41
Wholesalers and marketers	43
Chapter 4 Types of transaction: Intra-group services	47
Is there a benefit? Services vs shareholder costs	48
How should a charge be made?	50
At cost or at a profit?	53
Documentation	54

Contents

Chapter 5 Financing	57
Introduction	57
What are typical inter-company financing transactions?	57
Loan financing: thin capitalisation	59
Interest-free loans: Is a transfer-pricing adjustment always needed?	62
Loan financing: interest rates	65
Loan financing: practical pricing issues	66
Loan financing: guarantee fees	69
Other types of financing transaction	72
Chapter 6 Intangible property	77
Introduction	77
Categories of intangible property	81
Definition	86
Ownership	92
Valuation	97
Timing	108
Examples	110
Chapter 7 Business restructuring	117
Introduction	117
Chapter IX of the OECD Transfer Pricing Guidelines	119
Chapter 8 Transfer pricing: Implementation and monitoring	133
Introduction	133
What is implementation and monitoring?	133
Where does it go wrong?	135
Key issue	138
A holistic approach	140
Automation – something to consider?	142
Chapter 9 Tax avoidance and eliminating double taxation	143
Introduction	143
OECD framework for bilateral treaties	147
MAP in practice	149
The EU Arbitration Convention	151
Advance pricing agreement definition	154
Chapter 10 UK transfer-pricing legislation	161
Introduction	161
TIOPA 2010, Part 4	162
How wide is the scope of UK transfer-pricing legislation?	164
What are the basic rules and the pre-conditions for the rules to apply?	165
If required, how big should the adjustment be under the rule?	171

Contents

<u>What about compensating adjustments and balancing payments?</u>	<u>172</u>
<u>Small and medium-sized enterprises</u>	<u>176</u>
Appendix	
<u>2013 Global Transfer Pricing Country Guide</u>	<u>179</u>
<i>Index</i>	<u>443</u>

<http://www.pbookshop.com>