



UN Capacity Development Programme on International Tax Cooperation

UN Course on Transfer Pricing Panama City, Panama, 24-28 August 2015

TENTATIVE PROGRAMME

The course will be held over 5 days, between **9:00 am** and **5:00 pm**, with a lunch break from 12:30 to 2:00 pm and a 15-minute coffee break both in the morning and in the afternoon.

Day 1

Opening of the Course

Introduction to Transfer Pricing

- What is transfer pricing and why is it important?
- The arm's length principle
- Elements of a transfer pricing analysis

Business Framework

- Theory of the firm and development of multinational enterprises
- Legal structure
- Value chain
- Management of the transfer pricing function in a multinational enterprise

General Legal Environment

- Domestic transfer pricing legislation
- Burden of proof
- Presumptive taxation
- Safe harbour rules
- Advance pricing agreements
- Dispute resolution

Day 2

Comparability Analysis

- Fundamentals of the comparability analysis
 - Why do we need it?
 - How does it work?
 - What does it mean to be “comparable”?

Day 2 (continued)

- The comparability analysis process
 - The 8-step process
 - The 5 comparability factors: special focus on the functional analysis
- The comparability analysis in practice
 - The comparables selection process: a practical example
- Timing issues

Transfer Pricing Methods

- Issues and aspects to be considered before choosing and applying a transfer pricing method

Day 3

Transfer Pricing Methods (continued)

- The traditional transaction methods
 - Comparable uncontrolled price (CUP)
 - Cost plus
 - Resale price
- The transactional profit methods
 - Transactional net margin
 - Profit split

Case study on Comparability and Transfer Pricing Methods

Day 4

Documentation

- The role of transfer pricing documentation
- What information should be included in the documentation?
- Recent developments
- Practical guidance

Audits and risk assessment

- Introduction to audits and risk assessment
- Risk assessment and selection of taxpayers for examination
- Planning for a transfer pricing examination
- Preliminary examination
- Audit procedure
- Narrowing of issues: development of tax authorities' position
- Further steps in the audit procedure

Country Practices and Experiences

Day 5

Dispute Avoidance and Resolution

- The importance of dispute resolution
- Available methods of dispute resolution
- Understanding dispute avoidance mechanisms
- Practical aspects

Establishing Transfer Pricing Capability in Developing Countries

- Preliminary considerations
- Having a strategy, setting the vision, mission, plans, objectives and measuring performance
- Establishing a dedicated transfer pricing unit
 - Structure of the transfer pricing unit (including functions, competencies and responsibilities)
 - How to develop and retain staff (expertise)
- Undertaking a gap analysis and filling the gaps
 - Identifying capacity gaps
 - Preparing a plan to fill the gaps
 - Implementing and reviewing the plan
- Quality assurance and governance
- Sources of information

Country Practices and Experiences

