

United Nations Nations Unies

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REFERENCE:

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Dear participant in the UN tax cooperation work,

As you are aware, the Committee of Experts on International Cooperation in Tax Matters (the Committee) published the United Nations Practical Manual on Transfer Pricing for Developing Countries in 2012, with an updated version published in 2017.

This Manual aims to give users from developing countries practical advice on how to address transfer pricing matters according to the arm's length standard. From the beginning, it was noted that the Manual is conceived as a living document that should be regularly revised and improved, and the current emphasis is on making the Manual ever more practical for users in developing countries.

The Committee, during its Fifteenth Session, formed a Subcommittee on Article 9 (Associated Enterprises): Transfer Pricing, which is mandated as follows:

[...] To review and update the United Nations Practical Manual on Transfer Pricing for Developing Countries, based on the following principles:

- That it reflects the operation of Article 9 of the United Nations Model Convention, and the Arm's Length Principle embodied in it, and is consistent with relevant Commentaries of the U.N. Model;
- That it reflects the realities for, and the needs of, developing countries, at their relevant stages of capacity development;
- That special attention should be paid to the experience of developing countries, and the issues and options of most practical relevance to them; and
- That it draws upon the work being done in other fora.

The Subcommittee shall give due consideration to the outcome of the OECD/G20 Action Plan on Base Erosion and Profit Shifting as concerns transfer pricing. The manual shall reflect the special situation of least developed economies.

The Subcommittee shall report on its progress at the sessions of the Committee and provide its final updated draft Manual for discussion and adoption no later than the 22nd session in 2021 and preferably in 2020.

We would like to hereby invite your/your organization's input into the next update of the Manual; specifically, how to make it more useful and practical for its intended audience.

Bearing in mind resourcing issues and Subcommittee priorities, the Subcommittee will aim to consider such comments in the update of the Manual and in drafting additional material. The Subcommittee invites feedback from users from developing countries in particular but we also recognize the importance to taxpayers and advisers of clear and workable guidance.

Additionally, we acknowledge the important role of non-governmental organizations and academics in the policy and administration of transfer pricing. We ask those making comments to bear in mind a key aspect the mandate for the Subcommittee, which is that the updated Manual will continue to reflect the operation of Article 9 of the United Nations Model Convention and the arm's length principle embodied in it. Comments inconsistent with that mandate cannot be considered.

Your input should be in written format and be submitted no later than 10 September 2018. Any inputs or queries about this invitation should be submitted to Ms. Irving Ojeda Alvarez at ojedaalvarez@un.org. We look forward to receiving your input.

Yours sincerely

[Signed]

Ingela Willfors

Co-coordinator

Subcommittee on Article 9

(Associated Enterprises):

Transfer Pricing

[Signed]

Stig Sollund

Co-coordinator

Subcommittee on Article 9

(Associated Enterprises):

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