

*Provisional Agenda as of 18 January 2010*  
**Ad Hoc Expert Group Meeting on Transfer Pricing:  
Practical Issues for Developing Countries**

United Nations Headquarters Building  
New York, 19 - 20 January, 2010,  
Conference Room A  
Entrance on 46<sup>th</sup> St and 1st Avenue\*

*Organised by the Financing for Development Office of the United Nations  
Department of Economic and Social Affairs: The meeting is focussed on suggesting  
drafting and ideas that can inform and assist current work on the UN Practical Manual  
on Transfer Pricing, with a special emphasis on drawing upon experiences of developing  
as well as developed countries<sup>†</sup>*

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*Date and Time*

*Agenda Item*

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**Tuesday, 19 January 2010**

9.10 - 9:30 a.m.

Registration of participants

9:30 - 9:45 a.m.

**Agenda Item 1: Welcome Remarks** by Jomo KS, Assistant Secretary General, Department of Economic and Social Affairs.

9:45 - 10:30 a.m.

**Agenda Item 2: A Draft Introductory Chapter,  
Chair/ Commentator: T P Ostwal, India  
Discussant: Michael Durst, USA**

- A consideration of the Manual's objective and how to match that objective with its audience.
- What is transfer pricing?
- Transfer pricing as a current issue
- Relevance for developing countries
- Relevance of the Arm's Length Standard
- Transfer pricing as a domestic and international issue
- Transfer Pricing and the UN and OECD Model Tax Conventions
- Transfer pricing examples.

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\* Please remember to bring a passport or national ID card for security purposes.

<sup>†</sup> The proceedings will be in English only. Simultaneous interpretation will **not** be provided at this meeting.

10:30 - 10:45 a.m.

*Coffee break*

10:45 - 11:15 a.m.

*Agenda Item 2: Continued*

11:15 a.m. - 12:45 p.m.

**Agenda Item 3: Establishing Transfer Pricing Capability in a Tax Administration**

**Chair/ Commentator: Harry Roodbeen, Netherlands**

**Discussant: Keiji Aoyama**

- Are transfer pricing rules justified in a particular country's case?
- Applying "life cycle" approaches to transfer pricing policy and administration.
- Setting up policy capacity - possible areas of focus.
- Assessing administrative needs, priorities and capabilities.
- Setting up a Transfer Pricing Unit.
- Assessing effectiveness and fine tuning.
- Skill and knowledge retention.

12.45 - 1.45 p.m.

*Lunch*

1:45 - 3:00 p.m.

**Agenda Item 4: Relevant Background:**

**Chair/ Commentator: Mansor Hussan, Malaysia**

**Discussants: Ajayi Bamidele, Nigeria**

**Michael Kobetsky, Australia**

**Jolanda Schenk, Shell (How MNCs operate)**

**Monique van Herksen (SMEs)**

- The legal framework
  - Domestic aspects
  - International aspects
  - The interaction of domestic and international
- Understanding the economic and business background
  - Industry level issues
  - How MNCs operate
  - How SMEs operate

3.00 - 3.15 p.m.

*Coffee break*

3:15 - 5:00 p.m.

**Agenda Item 5: Transfer Pricing Methods:**

**Chairs/ Commentators: Marcos Valadao, Brazil  
Jolanda Schenk, Shell (TBC)**

**Discussant: Monique van Herksen, Netherlands**

- “Hierarchy of methods” and “best method” approaches.
- Methods and their areas of greatest relevance for developing countries:
  - Comparable Uncontrolled Price Method.
  - Resale Price Method.
  - Cost Plus Method.
  - Transactional Net Margin Method.
  - Profit Split Method.
  - Other methods?
- What tools in terms of information and skills does each method require?
- **A country case study (Tatiana Falcao, Brazil):** Are there “short cuts”/ “bright-line tests”/ “blunt instruments” consistent with ALP and that facilitate developing countries addressing transfer pricing.
- **Followed by a discussion** on whether there are easier solutions consistent with the ALP? Including the role or otherwise of “safe harbours”. What are the trends in developing countries re these different solutions? How do they sit with the OECD Guidelines?

5:00 - 6:15 p.m.

**Agenda Item 6: Transfer Pricing Methods and Analysis - Special Issues.**

**Chair/ Commentator: Toshio Miyatake, Japan**

**Discussants: T P Ostwal, India (Locational Savings / Intangibles)**

**Steven Wrappe, USA (Customs and TP)**

**Michael Kobetsky, Australia (Locational**

**Savings/ Tax holidays/ Market penetration)**

- Location Savings
- Market Penetration Strategies
- Business Restructuring – basic issues
- Tax Holidays and transfer pricing
- Impact of accounting and Corporate Governance developments

- Customs issues
- VAT/GST/Withholding Tax Issues
- Foreign Investments
- Treatment of Intangibles
- Intra-Group Services and Commodities Trading
- Cost Contribution Arrangements (CCAs)
- Intra-Group Finance

7.30 p.m.

*Dinner, for those wishing to participate at their own cost – venue TBA*

**Wednesday, 20 January 2010**

9:30 – 10:30 a.m.

**Agenda Item 7: Documentation**

**Chair/ Commentator: Mark Dike, Nigeria**

**Discussants: Kyung Geun Lee, RoK**

**Jose Madriaga, Chile**

**Yanlei Li, China**

- The function of documentation in transfer pricing cases.
- What does the administration need?
- Recognising the impact of documentation requirements on taxpayers.
- Possibilities for harmonised approaches regionally and internationally?

10:30 - 10:45 a.m.

*Coffee Break*

10:45 - 11:45 a.m.

**Agenda Item 8: Risk Assessment and Audit:**

**Chair/ Commentator: Keiji Aoyama, Japan**

**Discussants: Jidtar Neesanun, Thailand**

**Dong-Gyoon Na, RoK (TBC)**

- Selecting cases for initial risk/documentation review.
- Selecting cases for audit.
- Strategies for the most efficient and targeted use of limited resources.
- Simultaneous Tax Audits?
- Examples of Country Specific Practices

11:45 a.m. - 1:00 p.m.

**Agenda Item 9: Adjustments, Disputes and Dispute Resolution and Avoidance**

**Chair/ Commentator: Monique van Herksen, Netherlands**  
**Discussants: David Rosenbloom, US**  
**Franz Tomasek, South Africa (TBC)**

- Introduction to dispute avoidance and resolution in a domestic and international context.
- Transfer Pricing adjustments, including corresponding adjustments.
- Penalties
- The Mutual Agreement Procedure (MAP) under tax treaties.
- Settlements and alternative dispute resolution.
- The Role of Courts and Tribunals in Transfer Pricing Dispute Resolution.
- Advance Pricing Agreements (APAs) – policy and administrative considerations - right for developing countries?
- Developing an APA program – practical considerations.

1:00 - 2:00 p.m.

***Lunch***

2:00 - 3:00 p.m.

**Agenda Item 10: Skilling up and retention of skills**

**Chairs/ Commentators: David Rosenbloom, US**  
**Steven Wrappe, US**  
**Discussant: Arcotia Hatsidimitris, IBFD**

- Information resources, including database issues for developing countries
- Training and capacity building resources, including contacts and links
- Approaches that have worked in skill retention and updating

3:00 - 3:30 p.m.

**Agenda Item 11: Appendices**

**Chair/ Commentator: Michael Lennard. UN**  
• Possible Flowcharts and Checklists?

- Tables?
- Glossary?
- FAQs?

3:30 - 3:45 p.m.

***Coffee Break***

3:45 - 5:00 p.m.

Agenda Item 12: Other issues for consideration, including some possible drafting and roll-out strategies for consideration by the Subcommittee.

5:00 - 5:15 p.m.

Brief summary of the Meeting and next steps

5:15 - 5:30 p.m.

Close of the Meeting