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**Committee of Experts on International
Cooperation in Tax Matters
Twelfth Session**

A new chapter on the treatment of intangibles;

Significant updating of other chapters; and

An index to make the contents more easily accessible

The Foreword to the First Edition of this Manual, which is included, below, remains relevant as to its substance. In particular, its recognition that (with changes in square brackets made to reflect the new structure of the Manual):

"While consensus has been sought as far as possible, it was considered most in accord with a practical manual to include some elements where consensus could not be reached, and it follows that specific views expressed in this Manual should not be ascribed to any particular persons involved in its drafting. [Part ~~ED~~] is different from other chapters in its conception, however. It represents an outline of particular country administrative practices as described in some detail by representatives from those countries, and it was not considered feasible or appropriate to seek a consensus on how such country practices were described. [Part ~~ED~~] should be read with that difference in mind."

As with the Subcommittee involved in drafting the first edition of this Manual, the current Subcommittee is comprised of Members from tax administrations with wide and varied experience in dealing with transfer pricing as well as Members from academia, international organizations and the private sector, including from multinational enterprises and advisers. The Subcommittee met successfully in New York (thrice), [Santiago de Chile](#), Rome, ~~[Santiago de Chile](#)~~ and Bergamo in Italy, the latter ~~three~~ meetings were made possible by the generosity of the host countries. ~~The and~~ the support of the European Commission Department of Company Taxation Initiatives and of Budget Support, Public Finance and Economic Analysis was especially important in ensuring a successful meeting in Bergamo.

Members of the Subcommittee contributing to this publication at various times were as follows (The ts mesious t7.05 T

The additional special role of Subcommittee Member Mr. Hafiz Choudhury as technical coordinator is recognized with thanks. The assistance of the Secretariat, including Michael Lennard, Ilka Ritter in this work is also acknowledged.

Foreword to the

— Practical Matters at the time of — completion of the Manual:⁵ Stig Sollund (Norway - Coordinator) Julius Bamidele (Nigeria) Giammarco Cottani (Italy) Nishana Gosai (South Africa) Mansor Hassan (Malaysia) Michael McDonald (USA) Sanjay Mishra (India) Harry Roodbeen (Netherlands) Marcos Valadão (Brazil) Shanwu Yuan (China) Joseph Andrus (OECD) Keiji Aoyama (University of Waseda, Japan) Carol Dunahoo (Baker & McKenzie, US) Michael Kobetsky (Australian National University & Melbourne University, Australia) Kyung Geun Lee (Yulchon Lawyers, Korea) Toshio Miyatake (Adachi, Henderson, Miyatake & Fujita, Japan) T.P. Ostwal (Ostwal and Associates, India) Jolanda Schenk (Shell, Netherlands) Caroline Silberztein (Baker & McKenzie, France) and Monique van Herksen (Ernst and Young, Netherlands).

Former Members of the Subcommittee who also contributed were Amr El-Monayer (Egypt) José Madariaga Montes (Chile) Carmen van Niekerk (South Africa) and Stefaan de Baets (OECD). Observers at various Subcommittee meetings provided valuable insights. Secretarial support for the Manual was provided by Michael Lennard, assisted in particular by Ilka Ritter.

Appreciation is expressed to the European Commission, particularly its Departments of Company Taxation Initiatives and of Budget Support, Public Finance and Economic Analysis, for making possible the valuable editorial work of Hafiz Choudhury, and to the Royal Norwegian Ministry of Foreign Affairs for additional support. The Subcommittee also expresses its gratitude to the relevant ministries and agencies of the governments of Malaysia, India, Japan, South Africa and the People's Republic of China for generously hosting Subcommittee meetings. Thanks are also due to those who made comments on the draft chapters.

While consensus has been sought as far as possible, it was considered most in accord with a practical manual to include some elements where consensus could not be reached, and it follows that specific views expressed in this Manual should not be ascribed to any particular persons involved in its drafting. Chapter 10 is different from other chapters in its conception, however. It represents an outline of particular country administrative practices as described in some detail by representatives from those countries, and it was not considered feasible or appropriate to seek a consensus on how such country practices were described. Chapter 10 should be read with that difference in mind.

To assist in understanding the practical application of transfer pricing principles, this Manual frequently refers to hypothetical examples, such as in relation to Chapter 5 on Comparability Analysis and Chapter 6 on Methods. Such examples are intended to be purely illustrative, and not to address actual fact situations or cases. Finally, it should be noted that this Manual is conceived as a living work that should be regularly revised and improved, including by the addition of new chapters and additional material of special relevance to developing countries. This will only improve its relevance to users and its significance as a work that can be relied upon in the capacity building efforts of the United Nations and others that are so needed in this field.

⁵Members as of October 2012, when the Manual was presented to the Committee for consideration. Members of the Subcommittee serve purely in their personal capacity. Accordingly, the references to countries (in the case of those in government service) or employers (in other cases) are for information only.