

UN-ATAF Workshop on Transfer Pricing
Administrative Aspects and Recent Developments

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Introduction

The United Nations has transitioned from the Millennium Development Goals (MDGs) framework to a transformative, people-centered Sustainable Development Goals (SDGs) framework for sustainable development.

transactions(The structure of transactions within an MN1 \$roup is determined &' a combination of the market and \$roup-driven forces, which can differ from the open market conditions operatin\$ &etween independent entities(# lar\$e and \$rowin\$ num&er of international transactions are therefore no lon\$er \$overned entirel' &' market forces, &ut are driven &' the common interests of the entities of a \$roup(

Transfer pricin\$ refers to the mechanism &' which cross-&order intra-\$roup commercial and financial conditions (includin\$ the price of \$oods and services) are esta&lished(Transfer pricin\$ in itself is a normal aspect of the operations of an MN1, as it allows the enterprise to determine a price for the internal transactions occurrin\$ &etween different entities of the \$roup, in order to individuate profit- and loss-makin\$ operations and entities of the \$roup(4owever, if the method used to determine the price of such transactions, for whatever reason, does not reflect their true value, profits mi\$ht effectivel' &e shifted to low-ta/ or no-ta/ 5urisdictions and losses and deductions to hi\$h-ta/ 5urisdictions(This unfairl' deprives a countr' of ta/ revenue, reducin\$ the amount of

(the UN T: Manual)", which was updated in 2011; to take into account relevant recent developments, including the outputs of the G-20 High Level Panel of Experts (HLPE) Report on Tax Administration and Tax Evasion (2010).

This hands-on tool addresses the difficulties faced by developing countries in applying the arm's length principle and some of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, as well as the need for clear and practical guidance for those countries on the policy and administrative aspects of applying transfer pricing analysis to MNEs transactions.

UN Development Programme on International Tax Cooperation

In order to disseminate and operationalize the UN T: Manual as a practical tool to support developing countries in dealing with transfer pricing issues, the United Nations capacity development work in the area of international tax cooperation focuses on implementing activities aimed at strengthening the capacity of national tax authorities in these countries to apply the arm's length principle, which is reflected in both the UN and OECD Model Conventions, drawing on the Manual. This includes the organization of training workshops and the provision of technical assistance and support to Member States on the basis of the Manual. This contributes also to a broader objective, which is to strengthen the capacity of these countries to develop more effective and efficient tax systems, which support the desired levels of public and private investment, and to combat tax evasion.

The set of capacity development tools used with re-

