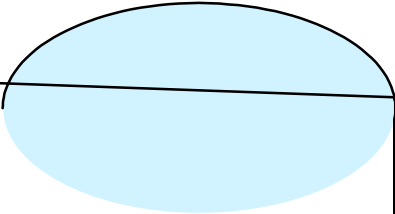


This block contains a collage of digital elements. At the top left is the United Nations logo. To its right are mathematical symbols:  $! " # $ % & ' ( ) * + , - . / 0 1$ . Below these symbols is a calculator interface with a black background and white text, showing  $0.02/$  and  $3#4$ . To the right of the calculator is a bar chart with several vertical bars of varying heights. At the top right of the collage is a small yellow box with the text "AFRICAN TAX" and a green map of Africa.



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Comparison usually through benchmarking (is second aspect in a comparability analysis) (see C-2 guidelines 13GG)

Benchmarking is entirely reliant on the first aspect which involves identifying the commercial or financial relations between the associated enterprises and the conditions and economically relevant circumstances attaching to those relations in order that the controlled transaction is accurately delineated

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typical TP report may de,ote& say " !a(es to accurately

TOOLKIT BOX 3  
BOLPEN INC (PAGES 32-34)

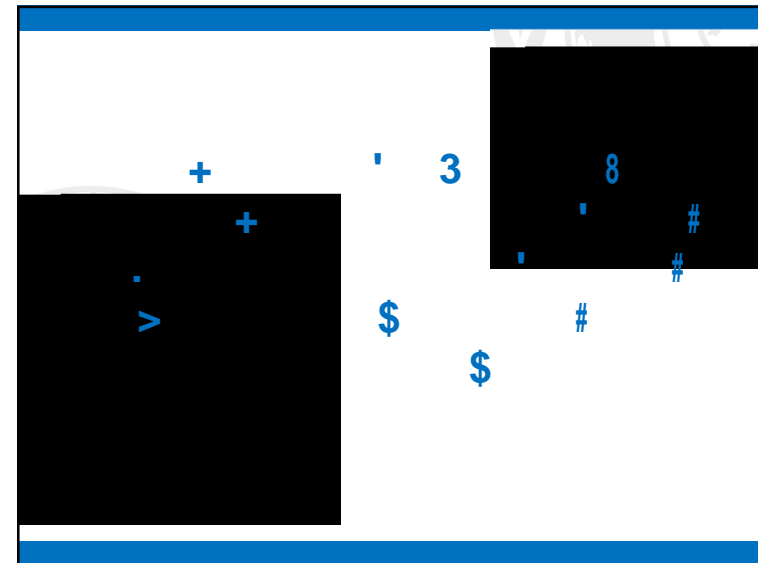
Assume Golden Sales is chosen as the tested party and a  
T. \$ \$ 7 with a P9# of a return on sales is selected as the  
transfer pricing method. Search for comparable results  
in a benchmark return of ; A net margin on sales


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What further information would you need to know in order accurately to delineate the actual transaction between the manufacturer and the sales agent and as a result to determine the appropriate method?

The implications of a one-sided valuation method like a T. S. S. is that another party receives the profits or losses that are left over. Do you know which party that should be?

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Note: this course will not address how to perform a benchmark search. This was outlined during

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 9 > , > 9/+ \$+ / > . / \$

Although around 120 countries are unlikely to find local companies in commercial databases, there are nevertheless over 10 million potentially useable global records which meet the basic independence requirement (Toolkit 1a (e G7))

- since this global resource has been established, encouraged to be discouraged by a different precedence of one company factor (economic market)

Practice has grown because guidance has been influenced by countries with large data tools to screen for economic market at outset  
 therefore there are only 66 countries with over 10,000 potentially





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For transactions in which the analysis concludes that a one-sided method is most appropriate an evaluation of the economically relevant characteristics of the transaction will help to make the best use of any available comparable information (which may include information from foreign markets) to determine appropriate arm's length outcomes.

Furthermore, in addition to being a simplification measure, carefully constructed safe harbours may be particularly useful in certain countries to address these kinds of transactions where there is a systemic lack of comparable information. Countries may therefore wish to consider developing safe harbour approaches to benchmark arm's length returns to a tested party for relevant classes of transactions. (Toolkit page 2)

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This is particularly important for the analysis of transactions in which the selection of a method (and the determination of appropriate arm's length outcomes) will be the number of comparable companies since the analysis and the determination of arm's length outcomes will be particularly important for the determination of appropriate arm's length outcomes.

The accurate delineation of the relevant market (or form) and the selection of the appropriate transfer pricing method will be much more important and counterintuitive in the case of selected financial transactions where the necessary foundation to the basis for the calculation of residual returns (including consideration of

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It may change the look and feel of the comparable companies.

Will the toolkit change your approach?

What is its status?

Will you issue guidance internal or external?

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