



# **IBFD Webinar**

# **Comparability Analysis in Transfer Pricing**

7 May 2019

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## Summary

Comparability is the foundation of transfer pricing (TP). The arm's length principle builds on the comparability between a transaction controlled by two entities belonging to the same multinational group and a transaction between independent parties. Comparability also plays an important role in the selection of the most appropriate TP method. Participants of the webinar will not only be introduced to comparability analysis, but will also receive a practical and in-depth explanation of the notion.

**Please note:** Registration for the live webinar will be closed in the morning one day prior to broadcasting or when the maximum number of registrations has been reached. Webinars can be purchased by credit card only.

**Client offer:** 20% discount for IBFD Membership clients and 10% discount for Global Tax Explorer (Plus) clients.

**Bulk discount:** a 20% discount will be applied to registrations received for 5 people or more made in one order.

## Overview and learning objectives

The presenters will explain, among other things, why comparability is important, how it affects the selection of the most appropriate TP method, how the comparability exercise is conducted, and what common challenges MNEs and tax administrations experience during the comparability analysis.

After following this webinar, participants will be able to:

- appreciate the relevance of comparability analysis
- comprehend the role of comparability in the TP exercise
- grasp the notions of economically significant characteristics and comparability factors
- identify the key steps of comparability analysis
- understand why and how comparability adjustment might be conducted
- apprehend some of the common mistakes MNEs and tax administrations commit during the comparability exercise
- understand recent cases in which comparability was an issue

## Field of study

Taxes

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## Who should participate

The webinar is suitable for tax and TP professionals as well as non-tax and TP specialists, including in-house and accounting personnel, lawyers, government agents and advisers who deal or will deal with TP and would like to be introduced to comparability analysis.

## Course level and prerequisites

This is a basic-level webinar. There are no prerequisites.

## Advance preparation

Participation in this webinar does not require any preparation.

## Interactive webinar - "Group Internet Based" (live webinar only)

To safeguard the interactive nature of the webinar, a limited number of participants will be accepted. Early registration is therefore recommended. During live webinars, it is possible to interact with the presenters via a chat message function. Please note that questions are answered based on relevance, order of receipt and available time. Additionally, participants in the live webinar are invited to answer poll questions or complete short tests. Participants will also have access to the on-demand version for a further 12 months from the live date.

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## On-demand webinar

On-demand webinars are intended for individual self-study only. Unlike live webinars, they are not open to interactive participation or assistance of a real-time instructor. Access to on-demand webinars is granted for a period of 12 months from the date of registration and/or live broadcast.

## Continuing Professional Education

Many accrediting organizations will grant CPE credit(s) for an IBFD audiovisual broadcast. It is advisable, however, that you check with your accrediting body as to whether this applies only to live webinars or to on-demand webinars as well.

## Webinar registration details

If you have any questions regarding following the webinar, technical requirements, payments or cancellations, please consult our [FAQ](#).

## Agenda

- ▶ Setting the scene
  - ▶ the role and importance of comparability analysis in TP
  - ▶ comparability and TP methods
- ▶ Theoretical approaches to comparability
  - ▶ overview of economically relevant characteristics and comparability factors
  - ▶ types of comparables: internal and external
  - ▶ degree of comparability
- ▶ Comparability analysis process
  - ▶ broad-based analysis of circumstances
  - ▶ accurate delineation of the transaction
  - ▶ sources of comparables: commercial databases and other sources
  - ▶ the search process
    - ▶ search criteria, broadening or narrowing the results, the review process
    - ▶ interpreting the results
- ▶ What to do if comparables are absent?
  - ▶ comparability adjustment
    - ▶ types of comparables, e.g. working capital, physical features or payment and contract terms
    - ▶ challenges
  - ▶ practical considerations for MNEs and tax administrations including
    - ▶ no access to database
    - ▶ lack of local comparables
    - ▶ secret comparables
    - ▶ safe harbours and other approaches
    - ▶ TP profit split and anti-avoidance approaches?
- ▶ Documenting comparability
- ▶ Some recent TP case law about comparability
- ▶ Other recent developments
- ▶ Closing