Summary

This two-day intermediate-level course addresses the intricate role of transfer pricing and indirect taxes in the international business environment. As the valuation for indirect taxation purposes can profoundly impact a company’s transfer pricing strategies, and vice versa, it has become increasingly important to coordinate the two. The course also addresses transfer pricing rules and indirect taxes issues in business restructuring and supply chain management.

Overview and Learning Objectives

This course addresses the intricate role of transfer pricing and indirect taxes in the international business environment. Transfer pricing is an issue related to both corporate tax, and value added tax and customs valuation. Because valuation for indirect taxation purposes can profoundly impact a company’s transfer pricing strategies, and vice versa, it has become increasingly important to coordinate the two.

Customs valuation, valuation for VAT/GST purposes and transfer pricing rules set different standards for determining the “arm’s length” or “fair” value of transactions. However, valuation rules as set down by the WTO Customs Valuation Agreement are not the same as the ones contained in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. Lack of a coordinated approach is an increasing concern for the business community.

In addition, the course also addresses transfer pricing rules and indirect taxes in business restructuring that should be taken into account by the multinational companies through the use of shared service centre, procurement process, cost allocation, business process outsourcing and supply chain management.

This course gives you the confidence and practical understanding you need in the field of transfer pricing and indirect taxes. The course is aimed at giving an insight into and deepening the knowledge of, for example, valuation methods for transfer pricing, customs and VAT/GST purpose, the consequences of the impact of pricing adjustments as well as the transfer pricing rules and indirect taxes in business restructuring. Although the course will deal with real life cases, domestic legislation will not be addressed in specific detail.

This is an interactive course with a limited number of participants. Prior to the course, participants will be given access to an online platform which provides them with additional pre-reading material and supplementary material (e.g. legal documentation, case law and related articles/literature). During the course, participants will be provided with a course binder containing documents relevant to the course.

Participants will receive a complimentary copy of the IBFD Tax Travel Companion OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and Transfer Pricing Features of Selected Countries.
Who Should Attend?

The course is suitable for transfer pricing advisers, lawyers, accountants, tax inspectors, and in-house tax managers and transfer pricing managers.

Course Level and Prerequisites

This is an intermediate-level course. Participants taking this course will be expected to have a good understanding of transfer pricing principles.
**Day 1**

08.30 - 09.00  Registration

09.00 - 09.15  Welcome and IBFD Overview

09.15 - 10.40  Transfer Pricing – OECD Framework

- Comparability analysis
- Transfer pricing methods
- Choice of method
- Timing of assessment and post-transaction adjustment for purposes of transfer pricing and customs
- Dispute resolution

10.40 - 11.00  Break – Refreshments

11.00 - 12.45  Transfer Pricing – OECD Framework (continued)

12.45 - 14.00  Lunch

14.00 - 15.20  Customs Valuation: Principles and Relation to Transfer Pricing

- Basic customs principles
- Introduction to customs valuation:
  - background (function/importance)
  - WTO valuation code
  - developments

15.20 - 15.40  Break – Refreshments

15.40 - 17.00  Comparison to Transfer Pricing: From a Customs Valuation Perspective

- Where do the issues coincide?
- Similarities/differences
- Comparing the valuation methods
- Intellectual property under customs valuation principles
Day 2

09.00 - 10.50  
**Value Added Tax / Goods and Services Tax**
- VAT/GST refresher
- Valuation rules:
  - taxable amount under VAT/GST
  - definition of “open-market value”
  - transfer pricing: VAT/GST versus income tax
  - case law
- Interaction between transfer pricing adjustments and VAT/GST
- Transfer pricing adjustments and consequences for VAT/GST purposes
- VAT/GST adjustments and consequences for transfer pricing
- VAT/GST for cross-border supply of services
- Profit allocation versus place of supply
- Timing issues

10.50 - 11.00  
Break – Refreshments

11.00 - 12.45  
**Dealing with Customs Valuation in the Transfer Pricing Environment and Administrative Issues**
- Administrative issues:
  - exchange of information
  - advance pricing agreements
  - resolution of disputes
- Dealing with customs valuation:
  - handling the differences
  - retrospective price adjustments
  - approaching customs authorities

12.45 - 14.00  
Lunch

14.00 - 15.40  
**Transfer Pricing and Indirect Taxes in Business Restructuring**
- Procurement
- Cost allocation
- Shared service centre
- Business process outsourcing
- Supply chain management and limited risk entity in manufacturing and distribution

15.40 - 16.00  
Break – Refreshments

16.00 - 17.00  
**Case Study – Transfer Pricing and Indirect Taxes in Business Restructuring**