
World Bank Group's Handbook for Transfer Pricing policy makers and practitioners in developing countries

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In brief

Tax policy and administration concerning international transactions, aggressive tax planning and tax avoidance are an issue of extensive international debate. Multinational enterprises are subject to increased scrutiny over their tax practices, including in developing countries. In this regard, the World Bank Group recently published a book called "Transfer Pricing and Developing Economies: A Handbook for Policy Makers and Practitioners".

In detail

The Handbook provides insight into understanding challenges in different country situations, as it contains illustrative examples from countries' domestic laws and guidance. The publication is not a substitute or an alternative to the existing OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and to the United Nations Practical Manual on Transfer Pricing.

The Handbook also provides technical guidance to policy makers and administrations on practical application of the arm's length principle, effective compliance management and the development of the requirements to disclose and document relevant information.

The structure of the Handbook is:

- Chapter 1. Transfer pricing, corporate strategy, and the investment climate
- Chapter 2. The international legal framework
- Chapter 3. Drafting transfer pricing legislation
- Chapter 4. Applying the arm's-length principle
- Chapter 5. Selected issues in transfer pricing
- Chapter 6. Promoting taxpayer compliance through communication, disclosure requirements, transfer pricing documentation, and penalties
- Chapter 7. Avoiding and resolving transfer pricing disputes
- Chapter 8. Developing a transfer pricing audit program

The takeaway

This Handbook is relevant for policy makers and administrations wishing to protect their corporate tax bases from transfer mispricing, as well as for practitioners and multinationals with operations, or looking to establish operations in developing countries.

The Handbook is available to download in PDF format at the link below:

<https://openknowledge.worldbank.org/handle/10986/25095>

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:



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