



# Changes in the New Edition of the OECD Transfer Pricing Guidelines for Multinational Enterprises & Tax Administrations: are you ready?

## Contacts

**Michael Ahern**  
Partner,  
Tax and Legal Services  
michael.ahern@pwc.com

**Timur Zhursunov**  
Partner  
Tax and Legal Services  
timur.zhursunov@pwc.com

**Nursultan Nurbayev**  
Director  
Tax and Legal Services  
nursultan.nurbayev@pwc.com

**Inkar Yessimova**  
Manager  
Legal Services  
inkar.yessimova@pwc.com

If you are interested in additional information, please contact us.

## In brief

On 20 January 2022, the Organization for Economic Cooperation and Development ("OECD") has released a new edition of the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, which replaces the previous 2017 edition. The OECD Transfer Pricing Guidelines provide guidance on the application of the "arm's length principle", which represents the international consensus on the valuation, for income tax purposes, of cross-border transactions between associated enterprises.

The document was updated with the following issues:

- comments on the application of the transactional profit split method;
- approach to complicated assessment of intangible assets;
- new section regarding financial transactions.

## Why is it important to you?

In today's economy where multinational enterprises play an increasingly prominent role, transfer pricing continues to be high on the agenda of tax administrations and taxpayers alike. Governments need to ensure that the taxable profits of MNEs are not artificially shifted out of their jurisdiction and that the tax base reported by MNEs in their country reflects the economic activity undertaken therein and taxpayers need clear guidance on the proper application of the arm's length principle.

It is expected that tax authorities will follow the recommendations and innovations of the latest edition, and among others by introducing new provisions on pricing financial transactions, the application of approach to valuation of intangible assets and the transactional profit split method into local legislation.

Given the above, taking into account the light of increased attention of tax authorities to the issue of TP, we recommend paying attention to the consistency of the compiled transfer pricing reports in your Group according to the new guidelines on TP from the OECD, as well as taking into account the planned changes to local legislation.