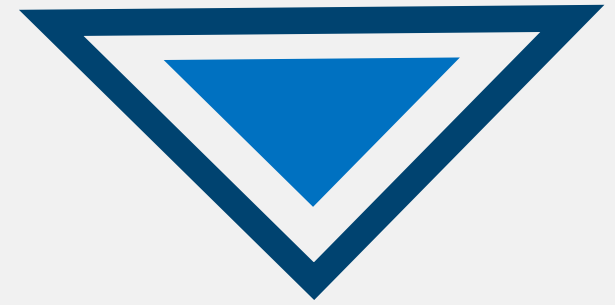




BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT



Advance Pricing Agreements: Preventing Disputes in Transfer Pricing

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Advance Pricing Agreements (APAs)

Role in preventing transfer pricing disputes

Challenges in implementing APAs?

BRITACOM and APAs



APAs



Legal Nature

APA

APA

01

Agreement between the taxpayer and tax authority

02

Covering future transactions

03

Time limited



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APA

Types

APA

01

Unilateral

02

Bilateral (MAP)

03

Multilateral (two or more tax treaties)



Transfer Pricing Disputes

Complexity

Transactions

**Number and types of
transactions**

Law
(arm's length
principle)

uncertainty

- **Transfer pricing methodology**
 - **“unique” and “intangibles”**
 - **Lacking data**



APAs

Provides “certainty”



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Why not using APAs?

Tax
Administrations

Resources

Click to add text

Expertise

Lock-in future
tax revenues

click to add text



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Why not using APAs?

Taxpayers

Documentation
and Cost

Disclosure of
"secrets"

Time of
negotiations

litigation lottery



BRITACOM?



Promoting APAs

Sharing country practices:

- China
- Indonesia
- Malaysia
- Singapore
- Training
- Technical assistance



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THANKS

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