Clark Armitage Weighs in on Transfer Pricing Median in Tax Notes

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The median has emerged as a growing fault line in transfer pricing, with countries taking markedly different approaches to determining when it should be used to adjust arm's-length results.

The OECD sets global transfer pricing standards. While the U.N. manual on transfer pricing is also an important reference tool, published court decisions overwhelmingly come from OECD countries and refer only to the OECD transfer pricing guidelines. Even court judgments from non-OECD countries take the OECD guidelines as a guidepost in their decision-making.

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"The APA status report shows that other adjustments — 'to the closer edge of the range' or to 'a specified point' within the range — are also potential outcomes of the negotiations between the countries involved," J. Clark Armitage of Caplin & Drysdale said. "This might reflect the OECD's guidelines' less definitive language about the correct adjustment point."

To read the article in full, please visit *Tax Notes'* website.

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