

**Reprinted from British Tax
Review
Issue 5, 2013**

Sweet & Maxwell
100 Avenue Road
Swiss Cottage
London
NW3 3PF
(Law Publishers)

SWEET & MAXWELL

Resolving Transfer Pricing Disputes: A Global Analysis, by Eduardo Baistrocchi and Ian Roxan (eds), (CUP, 2012), £195.00.

One only needs to pick up a newspaper these days to appreciate how topical the issue of transfer pricing has become. The transfer pricing arrangements of very well-known multinational companies have been splashed across the front pages of the newspapers and been the subject of scrutiny by politicians, civil society and many others worldwide. 2013 also witnessed the launch of the OECD base erosion and profit shifting (BEPS) project—the focus of this *Review's* 2013 Issue 5.

This book, edited by two leading UK academics, examines from a global perspective one increasingly important and vexing aspect of this subject—transfer pricing disputes. Comprising nearly a thousand pages, the book is quite comprehensive in its coverage. The editors have drawn together detailed analysis of a large number of the major established and developing transfer pricing jurisdictions. An especially useful feature is the book's “golden bridge”—a table which links each transfer pricing dispute discussed in the book with the relevant paragraphs of the OECD *Transfer Pricing Guidelines*.¹ This allows a reader interested in, say, the application of the cost plus method of transfer pricing as discussed under Chapter II, Part II, paragraph D.2 of the Guidelines to find at a glance relevant cases on that topic in any and all of the jurisdictions covered in the book. Readers will also appreciate the table of cases by jurisdiction, complete with references to the relevant pages where the case is discussed. The book places particular emphasis on intangibles, which strikes this reviewer as entirely appropriate given the importance and difficult nature of that subject. This emphasis also enhances the book's topical relevance.

¹ OECD, *Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* (OECD, 2010).

The book begins with an introduction by Roxan, who also contributes the chapter covering the UK. This chapter provides an overview of the aims of the book, namely to explain how the law on transfer pricing operates in practice and to examine how disputes between taxpayers and tax administrations are dealt with around the world. In Chapter 2, Baistrocchi provides some very interesting background and contextual discussion of the arm's length principle (rule versus standard). Baistrocchi returns to these themes in the conclusion, and helpfully wraps up the coverage.

The remaining chapters form the core of the book and are dedicated to analysing transfer pricing disputes on a jurisdiction-by-jurisdiction basis. Eighteen jurisdictions are examined in-depth.² These chapters helpfully follow a consistent structure, beginning first by canvassing the legal history and current rules, cases, alternative dispute resolution including advance pricing agreements (APAs), and treaty matters such as the operation of the mutual agreement procedure. The chapters are written by leading academics, practitioners and/or senior revenue personnel in their respective jurisdictions. Well known academic contributors include Richard Vann (Australia), Reuvan Avi-Yonah (US), Jinyan Li (China) and David Duff (Canada), to name just a few. The fact that the specific jurisdiction chapters each contain an appendix with brief answers to a common set of questions adds to the overall coherence of the work, which is sometimes lacking in collections of this nature. Roxan's UK chapter is hampered somewhat by the small number of UK cases on transfer pricing. Other chapters have more fertile ground to explore; for example, the Canadian chapter considers more than a dozen transfer pricing cases.

This reviewer imagines that professional advisors (accountants, lawyers and economists) and in-house staff in legal and tax departments around the world would be interested in the book. Academics and graduate students in tax accounting, law and economics would also find the book a useful starting point for transfer pricing research. This reviewer gives lectures on transfer pricing to graduate students at the Oxford Law Faculty and has added this book to his suggested reading list.

In summary, this work is an extremely useful contribution to an important field of study. The focus on historical and cultural contexts combined with the "nuts and bolts" detail of resolving disputes, along with the fact that such a large number of jurisdictions are canvassed, makes this an especially unique and attractive title.

Glen Loutzenhiser

² The particular jurisdictions covered are the US, Canada, EU, Germany, Spain, UK, Australia, Japan, Republic of Korea, Singapore, Brazil, Russian Federation, India, China, Argentina, Chile, Israel and Africa.