

Session Preview – Plenary B : The future of transfer pricing



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This is a subject which is going to create huge controversies because BEPS Action Plans 8, 9, 10 & 13 have created a major shift in thinking on how Transfer Pricing should be resolved. Interestingly, not even 50% of the developing countries have joined the transfer pricing program so far. The Revenue authorities' capabilities in these countries are inadequate and all of a sudden, this new change, which is a paradigm shift, will be difficult to digest.

We are talking of value creation and the country getting a right to tax where the business is done. These are new concepts. The developing and developed countries, in my view, will continue to follow & implement TP rules the way they understand. Therefore bigger, new controversies will emerge in future. For corporates there will be major challenges and for tax consultants there will be opportunities!