

09/27/2019 - The Platform for Collaboration on Tax – a joint initiative of the IMF, OECD, UN and World Bank Group – is seeking feedback from the public on a draft toolkit designed to help developing countries in the implementation of effective transfer-pricing documentation requirements.

Transfer-pricing documentation is necessary for effective implementation of transfer pricing rules. The requirement to maintain and furnish documentation encourages compliance and assists tax authorities with accessing information necessary to enforce transfer-pricing regulations. It also allows tax administrations to focus efforts and to deploy limited resources on taxpayers and transactions that pose most significant risk of tax loss. However, comprehensive documentation can be costly for the taxpayer; therefore, it is important to find the right balance between the tax authorities' needs and avoiding excessive compliance costs. [This draft toolkit](#) is designed to support the successful implementation of effective transfer-pricing documentation requirements by developing countries, and considers measures concerning documentation of all stages of a taxpayer's transfer-pricing analysis that governments could put in place. The toolkit takes into account current international approaches and country practices for transfer-pricing documentation, and discusses various policy considerations and options to guide developing countries.

The Development Working Group of the G20 requested this toolkit, and it is part of a series the Platform is preparing to help developing countries implement international tax best practices. Previous reports covered [tax incentives](#), [addressing difficulties in accessing comparable data for transfer pricing analyses](#) and [external support for building tax capacity in developing countries](#). This series complements work of the Platform and other organisations to increase the capacity of developing countries to implement the OECD/G20 BEPS Project.

The Platform partners are seeking comments on this draft of the toolkit by **08 November 2019** from all interested stakeholders. Comments should be sent by e-mail to taxcollaborationplatform@worldbank.org, a common comment box for all the Platform organisations. The Platform aims to release the final toolkit in early 2020.

Questions to consider:

1. Does this draft toolkit effectively address all the relevant considerations for the design of an effective transfer-pricing documentation regulatory system?
2. In terms of enforcement of transfer-pricing documentation, are particular approaches (e.g. penalties or compliance incentives) especially beneficial for limited capacity developing countries?
3. Are there other transfer-pricing documentation requirements not covered in this toolkit that should be considered?
4. What additional considerations and/or tools can be included in this toolkit to assist developing countries to implement effective transfer pricing documentation?

These are a few questions, and we welcome guidance on other questions we should consider. We also welcome any other views you have on how to support the successful implementation of effective transfer-pricing documentation requirements by developing countries. Comments and inputs on the draft will be published, and will be taken into consideration in finalising the toolkit.

Please note that all comments received will be made publicly available. Comments submitted in the name of a collective "grouping" or "coalition", or by any person submitting comments on behalf of another person or group of persons, should identify all enterprises or individuals who are members of that collective group, or the person(s) on whose behalf the commentator(s) are acting.

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