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## OECD holds Consultation with Business on Comparability and Profit Methods for Transfer Pricing Purposes

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**19 November 2008.** On 17-18 November 2008, the OECD held a consultation with business commentators on the topics of comparability and profit methods under the [OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations](#). The consultation followed from the release of a [discussion draft on comparability](#) (May 2006) and a [discussion draft on transactional profit methods](#) (January 2008). Each of the discussion drafts attracted very detailed responses from the business community, which were released by the OECD in [December 2006](#) and [May 2008](#), respectively.

The [participants at the consultation](#) included 35 representatives from the business community and over 50 senior officials from OECD member countries and observers.

During the consultation, participants discussed a broad range of fundamental and practical issues in relation to the comparability analysis, the selection of the most appropriate transfer pricing method to the circumstances of a case, and the practical application of transactional profit methods.

Mr. Charles Triplett, on behalf of the [Business and Industry Advisory Committee to the OECD](#), said that "BIAC applauds

the OECD efforts to come out with up-to-date guidance on comparability and profit methods in the Transfer Pricing Guidelines. We feel strongly that the work of the OECD in this area is as important as it has been in two decades and will be even more important in the years to come, when trade barriers continue to fall and transfer pricing becomes a topic for all governments to deal with. Consistency of approaches by governments is essential. We hope that the OECD will come up with the best possible guidance and that we can use it consistently around the world.”

Ms. Marlies de Ruiters, the Chair of Working Party No. 6, the OECD body responsible for the Transfer Pricing Guidelines, said that “during these two days we had a very constructive dialogue about what the practical implementation of the arm’s length principle, of the comparability standard and of the rules for selecting and applying a transfer pricing method mean for taxpayers and tax administrations. I was glad to hear that conceptually the Working Party is moving in the right direction. The finalization of the guidance will require a delicate balance between a theoretically sound framework and workable guidance on application. The Working Party will continue the discussion of these issues as soon as tomorrow, with the business comments in mind, and work towards a draft revision of the relevant guidance from the Transfer Pricing Guidelines.” Marlies de Ruiters thanked the business representatives for their contributions, both at the consultation meeting and in their thoughtful written comments, and emphasized that the OECD in general and Working Party No. 6 in particular very much value dialogue with the business community.

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**Also available:**

- [L'OCDE organise une Consultation avec la Communauté des Affaires sur les Questions de Comparabilité et les Méthodes de Profits en matière de prix de transfert](#) (French)

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**Related documents:**

- [Agenda and presentation material for the Consultation on Comparability and Profit Methods - 17-18 Nov. 2008 \(English\)](#)

