Emerging Issues in Transfer Pricing
A Course for Tax Officers of IBSA
Jan 30 – Feb 10, 2012

Planning & Research Unit
NATIONAL ACADEMY OF DIRECT TAXES
Chhindwara Road, Nagpur-440030,
INDIA
The National Academy of Direct Taxes warmly welcomes all participants from IBSA countries, i.e. Brazil, India and South Africa to the two week course on “Emerging Issues in Transfer Pricing” scheduled from January 30 to February 10, 2012.
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Introduction

With increasing globalization and resultant mobility of capital and technology, there has been a significant rise in business undertaken by concerns spread across political boundaries. These multinational concerns carry on different activities related to their business in different tax jurisdictions, and frequently transfer resources and products across their boundaries, giving rise to issues related to allocation and taxation of profits across such jurisdictions. Transfer Pricing, which deals with allocation of such profits on the basis of arm’s length prices has thus emerged as one of the most significant areas for tax administrations. It involves issues not only related to domestic tax law, but also international law, sovereign political rights, a multitude of treaties, economics and statistical analysis. Tax Administrations in Emerging Economies are gradually rising to the challenge of dealing with such issues in an efficient and expedient manner. The challenges are many, including standardisation of procedures, keeping down the costs of compliance and developing broad databases which can facilitate the discovery of Arm’s Length Price.

This Course attempts to address the challenges faced by tax administrators in dealing with issues related to transfer pricing in emerging economies, where the skilled manpower is limited and there is a need for capacity enhancement and sharing of experiences. The Course is specially designed to help the par-
participants with variable exposure in this area, in developing an understanding of basic issues in Transfer Pricing faced by tax administrations as well as introduce to them the new issues that are emerging. The Course will be conducted in two parts. The first part from Jan 30 to Feb 4 will be conducted in the National Academy of Direct Taxes, Nagpur and will expose the participants to the theoretical background of these issues, with help of experienced faculty members and experts. It is designed to include sufficient interaction and active participation by the participants to enable them in being actively involved in their learning. The second part of the course will be conducted in Bangalore from Feb 6 – 10 in Bangalore, where the participants will have an opportunity to discuss the issues with the senior officers of Indian Revenue Service and have a firsthand experience of how Transfer Pricing matters are dealt with by the Department.

Objectives of the Course

The objective of the course is to enable theoretical and practical exposure in Transfer Pricing issues to the participants, beginning from basic principles to emerging issues as well as procedural and practical challenges in dealing with them. The Course is designed to promote interactive learning and in the process should also offer a multitude of opportunities to the participants for undertaking comparative analysis of transfer pricing in India and South Africa. The interactive sessions and attachment with tax administration in Bangalore will provide opportunities to the participants to raise queries, get their doubts clarified and seek further details that they may find particularly relevant for their own context.

Expected Outcomes

At the end of the course, the participants are expected to have a broad understanding of basic transfer pricing principles as well as become aware of the emerging issues therein faced by tax administrations in emerging economies. The participants are also expected to become aware of how Indian tax administration is coping with these challenges, and comparatively analyse the various alternatives in terms of compliance, procedures and use of database. An additional outcome of this course may be to lay a foundation and open up further possibilities of better knowledge sharing between the tax administrations of South Africa and India.
**Course Overview & Schedule**

**Part I**

**Jan 30 - Feb 3, 2012**

*Venue: National Academy of Direct Taxes, Nagpur, India*

**Overview**

Transfer Pricing is still evolving as a regulatory stream, with a lot of work being done in all countries to improve the efficiency of tax administration, develop new standards and arrive at a greater consensus regarding identification and acceptance of comparables, adjustments and interventions. The first leg of this course is designed to focus on significant aspects of Transfer Pricing administration. While the speakers are expected to initiate the discussion by highlighting the Indian scenario, it is expected that active participation of all participants will lead to issues relating to different countries and a comparative analysis.

The first leg of the course will provide theoretical inputs beginning with an overview of Transfer Pricing Administration and Introduction to the basic concepts of Transfer Pricing on the first day. It is expected to provide an introduction to the participants and initiate some discussion on how Transfer Pricing issues are administered in IBSA countries. Participants are strongly encouraged to interact, share their views and try to find about other IBSA countries.

The second day is devoted to discussion on availability of databases and identification of comparables from the data. Representatives of two major database developers in India, Capitaline and CMIE, are expected to make brief presentations.
about their databases and how it may be used in selection of comparables. Subsequent discussion will revolve on a presentation on using comparables in Transfer Pricing and a panel discussion on how IBSA countries can develop and improve their comparables. We expect at least one participant from each country to join the main speaker as panelist while other participants are strongly encouraged to contribute to the discussion.

The third day takes the discussion to the policy and procedures of compliance. Beginning with a discussion on approaches adopted by the OECD and UN on transfer pricing issues, the discussion will subsequently shift to international developments and how they are affecting the transfer pricing law and practice locally and globally. In the second half, there will be a panel discussion on comparing the Transfer Pricing documentation and compliance procedures in IBSA countries. We expect at least one participant to join the main speaker as panelist during the discussions and talk about the documentation procedure followed in his / her country. The objective is to have a collective comparative analysis of the documentation and procedures, and enable participants to learn from other countries.

The fourth day is devoted to Transfer Pricing Interventions, the legal disputes and ways and means of dispute resolution. The day begins with an introduction to different approaches adopted by Indian authorities in Transfer Pricing Intervention, their pros and cons and selection of the best feasible option, followed by a session on new areas of disputes that are emerging in this arena. The afternoon will be devoted to an analysis of disputes, their resolution and how we can optimize the different options available, including MAP for optimizing the outcome.

The last day of the first leg of the course will be devoted to landmarks judgments of the courts, practical challenges in administering Transfer Pricing and how we can bring about further improvements in the efficiency of the tax administration to fulfil its role of protecting revenue with greater certainty, predictability and minimum costs of compliance and administration. At the end of the day, the participants are encouraged to provide their frank feedback about how this process of sharing in this complex field among IBSA countries can be taken forward.

The course is designed to initiate and sustain interaction among the participants, who are strongly encouraged to put forward their views, raise queries and share their experiences. Since, different countries are likely to have substantial differences in the way they deal with issues relating to Transfer Pricing, sharing of practices adopted in their countries will provide a precious opportunity for all participants to learn and benefit. We expect all participants to actively participate in the discussions.
Schedule

Jan 30, 2012, Monday

10:30 am – 11:00 am - Registration
11.00 am – 11.30 am - Introduction & Inaugural Address
G. G. Shukla, Director General (Trg), NADT
11:30 am – 11:50 am - Tea Break
11:50 am – 1:00 pm - Transfer Pricing: Law and Administration in India
R. Ravi Chandra, Additional Director General –II, NADT
1:00 pm – 2:00 pm - Lunch
2:00 pm – 4:30 pm - Basics of Transfer Pricing
G. M. Doss, Additional Director (Hqrs), NADT

Jan 31, 2012, Tuesday

9:30 am – 11:20 am - Use of Databases in Transfer Pricing
Representatives from Capitaline / CMIE
11:20 am – 11:40 am - Tea Break
11:40 am – 1:00 pm - Comparables in Transfer Pricing
Bhaskar Goswami, Additional Director, TP, N Delbi
1:00 pm – 2:00 pm - Lunch
2:00 pm – 4:30 pm - Panel Discussion on “How South Africa can develop its own comparables”
Himanshu Sinha, Tax Practitioner, Deloitte

Feb 1, 2012, Wednesday

9:30 am – 11:20 am - Comparison of OECD and UN Approaches to Transfer Pricing Issues
T. P. Ostwal, Sr. Partner, T P Ostwal & Associates
11:20 am – 11:40 am - Tea Break
11:40 am – 1:00 pm - Transfer Pricing: International Developments
Samir Gandhi, Tax Practitioner, Deloitte
1:00 pm – 2:00 pm - Lunch
2:00 pm – 4:30 pm - Panel Discussion on “Comparison of TP Documentation in IBSA countries”
M Rathinsamy, Director (TP), Chennai
Feb 2, 2012, Thursday

9:30 am – 11:20 am - **TP Interventions: Selecting the Appropriate Approaches**  
Chandana Ramachandran, Commissioner (Judicial), Chennai

11:20 am – 11:40 am - Tea Break

11:40 am – 1:00 pm - **Important Case Laws in Transfer Pricing**  
G. M. Doss, Additional Director (Hqrs), NADT

1:00 pm – 2:00 pm - Lunch

2:00 pm – 4:30 pm - **Panel Discussion on “Resolving TP Issues with Taxpayers & Optimising Use of MAP”**  
R. S. Upadhyay, Commissioner (Appeals), Mumbai

Feb 3, 2012, Friday

9:30 am – 11:20 am - **Emerging Legal Issues in Transfer Pricing**  
M. P. Lohia, Executive Director, Tax Regulatory Services, N Delhi

11:20 am – 11:40 am - Tea Break

11:40 am – 1:00 pm - **Interactive Session on “Practical Challenges in Administering Transfer Pricing”**  
G. C. Srivastava, Tax Practitioner, N Delhi

1:00 pm – 2:00 pm - Lunch

2:00 pm – 4:30 pm - **Closing Remarks, Feedback & Valediction of Part I of the Course**  
K. Ramalingam, Joint Secretary (FTE&TR)-I, CBDT

(Note: Each of the days, an extra hour is reserved from 4:30 pm to 5:30 pm to accommodate extension of last session, open discussion or any special sessions arranged on demand of participants)
Course Introduction & Schedule

Part II

Feb 6 – 10, 2012

Venue: Lecture Hall, Fourth Floor, Central Revenue Building, No. -1, Queen’s Road, Bangalore, India

Overview

The attachment with the Transfer Pricing Unit at Bangalore is designed to enable the participants to have a first-hand exposure of Transfer Pricing administration in India. It will provide opportunities to the participants to meet the officers dealing in issues relating to Transfer Pricing and discuss the practical aspects of administration.

During the attachment, some senior officers of the India will join the participants and discuss various aspects related to real life cases, issues dealt by them, challenges and constraints. The participants are also expected to share their experiences and how those matters are approached in their jurisdictions.

The participants are encouraged to raise their doubts and queries with the officers interacting with them, and make the best of this unique opportunity. The second leg will close with a discussion on how IBSA countries can further improve and build on their knowledge sharing initiative in tax administration.
## Schedule

### Feb 6, 2012, Monday

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<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>10:30 am – 1:30 pm</td>
<td><em>Orientation Session with Transfer Pricing Unit in Bangalore</em></td>
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<tr>
<td>1:30 pm – 2:30 pm</td>
<td><em>Lunch</em></td>
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<tr>
<td>2:30 pm – 5:30 pm</td>
<td><em>Orientation Session (contd.)</em></td>
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### Feb 7, 2012, Tuesday

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<tr>
<td>10:30 am – 1:30 pm</td>
<td><em>Attachment with Transfer Pricing Unit in Bangalore</em></td>
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<tr>
<td>1:30 pm – 2:30 pm</td>
<td><em>Lunch</em></td>
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<tr>
<td>2:30 pm – 5:30 pm</td>
<td><em>Attachment (contd.)</em></td>
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### Feb 8, 2012, Wednesday

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<tr>
<td>10:30 am – 1:30 pm</td>
<td><em>Attachment with Transfer Pricing Unit in Bangalore</em></td>
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<tr>
<td>1:30 pm – 2:30 pm</td>
<td><em>Lunch</em></td>
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<tr>
<td>2:30 pm – 5:30 pm</td>
<td><em>Attachment (contd.)</em></td>
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Feb 9, 2012, Thursday

10:30 am – 1:30 pm - Attachment with Transfer Pricing Unit in Bangalore
1:30 pm – 2:30 pm - Lunch
2:30 pm – 5:30 pm - Attachment (contd.)

Feb 10, 2012, Friday

9:30 am – 11:20 am - Group Presentations & Discussions by participants
11:20 am – 11:40 am - Tea Break
11:40 am – 1:00 pm - Open Discussion on “The Road Ahead .....”
1:00 pm – 2:00 pm - Lunch
2:00 pm – 3:00 pm - Summary & Feedback
3:00 pm – 4:00 pm - Valediction of Part II of the Course

(Note: The itinerary of the Attachment with Transfer Pricing Unit, Bangalore is provisional and subject to modifications as per needs of training and other logistics.)
List of Participants

Participants from South Africa

1. Ms Sunita Manik, Group Executive: Risk, Assurance and Specialist Support, LBC
2. Mr Junaid Limali, Executive: Assurance (previously known as Audit), LBC
3. Dr Jozua Johannes Loots, Executive: Risk and Intelligence, LBC
4. Mr Willie Jacobus Swart, Senior Manager: Assurance, LBC
5. Ms Nishana Gosai, Manager: Transfer Pricing, LBC
6. Ms Vuyelwa Patience Jonga, Team Leader: Transfer Pricing
7. Ms Ntsakesini Letitia Kgwadi, Auditor: Transfer Pricing
8. Ms Pumeza Poni, Auditor: Transfer Pricing
9. Mr Venai Singh, SARS
10. Ms Gertrude van der Westhuysen, Specialist: Transfer Pricing
11. Ms Roselle Auriela Sakhoon, Team leader: Transfer Pricing
12. Mr Hermanus Erasmus Reyneke, Specialist: Compliance Risk (Transfer Pricing)
13. Mr Johan Aler, Risk Specialist: Specialisation, Oil & Gas, Energy & Gambling
14. Mr Errol Allan Budlender, Assurance Specialist: Various industries
15. Mr David Patrick Anthony Costa, Senior Auditor: Automotive & Manufacturing
16. Mr Christoffel Johaness Du Plessis, Assurance Specialist: Mining
17. Ms Rishani Patel, Technical Support Specialist: Telecommunications
18. Mr Subeer Rabicheron Hanuman, Risk Specialist: Manufacturing & Retail
19. Mr Marc Paul Jardine, Assurance Specialist: Banking & Financial Services
20. Mr Matthew Marcus, Assurance Specialist: Long & short term Insurance
Participants from India

1. Ms Chandana Ramachandran, Commissioner (Judicial), Chennai
2. Dr G. M. Doss, Additional Director (Hqrs), NADT, Nagpur
3. Mr. Rajeev Ranade, Additional Director (Fac), NADT, Nagpur
4. Mr. N. Jayasankar, Additional Director (Fac), NADT, Nagpur
5. Ms. C. Tripurasundari, Additional Director (Fac), NADT, Nagpur
6. Mr. Shekhar Gajbhiye, Joint Director (Admin), NADT, Nagpur
7. Mr. S. S. Kalyan, Joint Director (Fac), NADT, Nagpur
8. Mr. Sanjay Joseph, Deputy Director (Fac), NADT, Nagpur
9. Ms. Ranu Mukherji, Undersecretary, FT&TR-II, CBDT, N Delhi
10. Mr Alok Malviya, Officer on Special Duty, FT&TR-II, CBDT, N Delhi

Participants from Brazil

Ms. Ivonete Bezerra de Souza

Course Coordinator

Dr Vinay Kumar Singh
Additional Director (Planning & Research), NADT, Nagpur
The National Academy of Direct Taxes, Nagpur, is the Apex Institution for Training the officers and staff of the Income-tax Department in India. The major function of the Academy is to impart induction training to the officers of the Indian Revenue Service recruited directly through the Civil Services Examination conducted by the Union Public Service Commission. In addition to this, several important in-service courses are being run by the Academy for middle to senior level officers of the Income-tax Department and of other departments, both at Nagpur and at the seven Regional Training Institutes at Mumbai, Bangalore, Kolkata, Lucknow, Chennai, Ahmedabad and Chandigarh. For comprehensive training of the ministerial cadre of Income-tax Department, there are Ministerial Staff Training Units located in different parts of India.

Apart from imparting intensive training in the fields of Taxation, Accountancy, Law and Management to the officers of the Income-tax Department, the Academy’s training function travels beyond the personnel of the Income-tax Department. It has been giving training on taxation and management subjects to the senior officers of various other Central Government Departments and also to the nominees of foreign countries under United Nations Development Programme and Colombo Plan. It designs and conducts courses for tax administrators from other countries also. It also runs management programmes under the aegis of the Common wealth Association of Tax Administrators.

For more information about the Academy, visit www.nadt.gov.in
Our Vision
To partner in the nation building process through progressive tax policy, efficient and effective administration and improved voluntary compliance

Our Mission
To formulate progressive tax policies
To make compliance easy
To enforce tax laws with fairness
To deliver quality services
To continuously upgrade skills and build a professional and motivated Workforce

Our Values
Integrity “We discharge our duties truthfully, honestly and transparently”
Accountability “We are responsible for our actions and outcomes”
Responsiveness “We are sensitive, prompt, fair and objective in our dealings with our stakeholders, fostering mutual trust”
Professionalism “We strive for improving performance and competence with a focus on achieving excellence”
Innovation “We encourage new ideas, methods, processes and practices”
Collaboration “We work together with our stakeholders and partners to achieve common goals”

For more information about the Income Tax Department, visit http://www.incometaxindia.gov.in
National Academy of Direct Taxes, Nagpur, India