

UNITED KINGDOM

TRANSFER PRICING PROFILE

1. Reference to the Arm's Length Principle

Section 147 Taxation (International and Other Provisions) Act 2010

2. Reference to the OECD Transfer Pricing Guidelines

Section 164 Taxation (International and Other Provisions) Act 2010

3. Definition of related parties

Section 148 Taxation (International and Other Provisions) Act 2010

4. Transfer pricing methods

Domestic law does not require that a specific method is used for transfer pricing purposes. Reference is made to the OECD transfer pricing guidelines and methods therein.

5. Transfer pricing documentation requirements

No specific transfer pricing documentation requirements, Paragraph 21 Schedule 18 Finance Act 1998 requires such records to enable delivery of correct and complete return.

Implementation of the Code of Conduct on Transfer Pricing documentation for associated enterprises in the European Union (EU TPD) - summary of Member States' responses to the 2013 JTPF questionnaire on the implementation of the EU TPD:

http://ec.europa.eu/taxation_customs/resources/documents/taxation/company_tax/transfer_pricing/forum/jtpf/2013/summary-ms.pdf

6. Specific transfer pricing audit procedures and / or specific transfer pricing penalties

No specific regulations on Audit procedures and/or transfer pricing penalties – normal CT provisions in Schedule 18 Finance Act 1998 apply.

7. Information for Small and Medium Enterprises on TP

Information relevant for SMEs in tackling transfer pricing matters is available on the JTPF webpage at: http://ec.europa.eu/taxation_customs/resources/documents/taxation/company_tax/transfer_pricing/forum/profiles/profile-uk.pdf

8. Information on dispute resolution

Competent Authority Deputy Director CTIS (Business International)
HMRC
100 Parliament Street, London SW1A 2BQ.
Tel: 020 7147 2789. Fax 020 7147 2649

Organization	CTIS (Business International) HMRC
Scope of MAP & MAP APA	Relief for taxation not in accordance with the Convention. Interpretation and application of the Convention as required to arrive at solutions for specific cases.
Domestic guidelines & administrative arrangements	Domestic guidelines: <ul style="list-style-type: none"> • General guidance on website: http://www.hmrc.gov.uk/international • See Statement of Practice 1/11 • Administrative arrangements with the US: http://www.irs.gov/pub/irs-news/ir-00-79.pdf
Time for filing	MAP - 6 years from the end of the chargeable period or as prescribed in the Convention * Taxpayers should be mindful of other jurisdictions' time limits.
Form of request	MAP & APA : no specific form
Documentation requirement	MAP No formal requirements. Taxpayer is expected to supply details of the parties concerned, explaining their connection, the registered office and the Tax Office where their affairs are dealt with, the issue in dispute and the years concerned. APA No specific provisions.
User fees	None.
Tax collection / penalty / interest	Normal principles apply.
Other dispute resolution mechanisms	EU Arbitration Convention
Government Website	http://www.hmrc.gov.uk

Dispute resolution under the Arbitration Convention does not need to be initiated and may be suspended if one of the enterprises involved is subject to a 'serious penalty' for the transactions giving rise to the profit adjustment (Article 8).

Unilateral Declaration of United Kingdom on Article 8 of the Arbitration Convention (*Official Journal L 225, 20/08/1990 P. 0010 – 0024*)

"The United Kingdom will interpret the term 'serious penalty' as comprising criminal sanctions and administrative sanctions in respect of the fraudulent or negligent delivery of incorrect accounts, claims or returns for tax purposes."

9. Relevant regulations on Advance Pricing Arrangements

Sections 218-230 Taxation (International and Other Provisions) Act 2010.
Statement of Practice 2/10: <http://www.hmrc.gov.uk/agents/sop.pdf> (page 315)

10. Links to relevant government websites

Her Majesty's Revenue and Customs: <http://www.hmrc.gov.uk>

11. Other relevant information

Secondary and compensating year-end adjustments may result in double taxation. Two questionnaires launched by the EU Joint Transfer Pricing Forum (JTTPF) in 2011 took stock of the situation prevailing in each EU Member State with respect to secondary and compensating year-end adjustments as on 1 July 2011.

[Secondary Adjustments - overview on the legal and administrative/practical aspects in the different Member States](#)

[Compensating/year-end Adjustments - overview on the legal and administrative/practical aspects in the different Member States](#)