



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
TAX POLICY
Coordination of Tax Matters

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DRAFT RULES OF PROCEDURE OF THE EU JOINT TRANSFER PRICING FORUM

1. General Dispositions

The activities of the EU-Joint Transfer Pricing Forum (hereafter: Forum) are governed by the general principles set out by the Commission, confirmed in the annexed Council Conclusions of 11 March 2002, and these rules of procedure.

2. Composition

The Forum has 25 Members, one expert for each Member State and 10 Members, experts from business.

Members and the Chairperson of the Forum are appointed in their personal capacity for a renewable period of two years.

The Chairperson and the Members may be accompanied by one personal assistant of their choice, according to the specific issues on the agenda, which will however not qualify for reimbursement of travel expenses under the Commission's rules.

The Commission, in agreement with a Selection Board composed of high level representatives of the Council Presidency, the Commission and the UNICE Fiscal affairs Committee appoints an independent personality with long standing experience in the field of transfer pricing as Chairperson of the Forum.

The same Selection Board selects Members from business on the basis of applications received following the publication in the Official Journal of a call for expression of interest to become a business expert in the Forum.

Member States governments appoint their experts.

Member States and business experts elect by consensus in their group of Members each a Vice-Chairperson. In case no consensus can be found, the Vice-Chairpersons are elected by simple majority vote by show of hands. In case no simple majority can be reached, a second and final round of vote presenting the two candidates with the most votes will be

organised. In the event of a tie, both in the first or second round, the elder candidate shall be declared admitted to the second round or elected respectively.

If the Chairperson, Vice-Chairpersons or Members leave office before the two year period elapsed, similar appointment procedures will apply. In particular with regard to business experts, applications from the first call for expression of interest will be reconsidered prior to any further call.

Applicant Countries and the OECD Secretariat will be invited to delegate one observer each. These observers may participate in the discussions but whereas their opinion will be recorded in the minutes and the Forum reports, they will not be accounted for reaching consensus.

3. Responsibilities of Chairperson and Vice- Chairpersons

The Chairperson will have the following responsibilities:

- i) Preparation of the agenda of meetings of the Forum in co-operation with the Vice-Chairpersons and the Secretariat
- ii) Acting as Chairperson of meetings of the Forum
- iii) Institutional representation of the Forum
- iv) Co-operation with the Secretariat in the preparation of the regular activity reports to the Council.
- v) Organisation of relations with media and other interested parties in co-operation with the Secretariat

The Vice-Chairpersons assist the Chairperson in carrying out his responsibilities listed above and in particular those under i) and iv)

In case the Chairperson would be unable to attend a meeting or leave office before the two year period elapsed (and subject to the provisions of 2 § 8), the Vice-Chairpersons will Chair the meetings of the Forum by alternation, starting with the Vice-Chairperson from business.

4. Meetings of the group.

All meetings are convened at least one month in advance, the agenda and working documents will be communicated at the same time or as soon as possible afterwards.

The Forum's meetings shall not be open to the public and working documents will be considered confidential unless decided otherwise by consensus by the Forum.

Working documents will be presented in the Commission's three working languages (English, French and German), interpretation at the meetings will be provided in as many EU languages as feasible at the time of the meeting.

Minutes of the meetings are drafted by the Secretariat and approved by the Forum at the following meeting.

The Forum may invite any of the following to attend meetings of the Forum:

- i) Experts appointed by the Forum
- ii) Representatives of EU Institutions
- iv) Representatives of national bodies concerned with the issue
- v) Other interested parties

In order to facilitate the work of the Forum, preparatory groups of Members may be established.

The Forum may also propose to hold a wider consultation of interested parties on specific topics by way of surveys.

5. Reimbursement of expenses

Travel expenses for the Chairperson, the Members of the Forum, observers from applicant countries, OECD and invited persons, shall be covered by the Commission in accordance with the relevant administrative rules.

6. Secretariat

The Directorate General for Taxation and the Customs Union, acting in close co-operation with the Chairperson and the Vice-Chairpersons, shall be responsible for organising the work of the Forum and its secretariat.

7. Reporting

A Report on the Forum's activities shall be produced on a regular basis under the responsibility of the Secretariat and in close co-operation with the Chairperson and the Vice-Chairpersons. This report shall reflect either the opinion by consensus of its Members or the various opinions expressed in the course of the discussion.

8. External relations

In order to promote its objectives the Forum may decide, by way of consensus, to publish information relating to its activities, by any appropriate means including publication, survey, brochures and Internet.

9. Interpretation of rules

Without prejudice to the competencies of the Commission, all disputes or problems related to the application of these rules, will be submitted to the Chairperson and the Vice-Chairpersons who will make a proposal to be tabled in plenary. The plenary will decide by consensus or simple majority. If such majority cannot be achieved, the Chairperson is entitled to take a final decision.