

**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.

Country by Country reporting requirements implemented, in line with the OECD model, from 20<sup>th</sup> March 2016.

<https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim300000>

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:

[https://ec.europa.eu/taxation\\_customs/sites/taxation/files/resources/documents/taxation/company\\_tax/transfer\\_pricing/forum/jtpf/2013/summary-ms.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/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**

The UK's transfer pricing rules do not apply to SMEs, subject to certain exceptions:

<https://www.gov.uk/hmrc-internal-manuals/international-manual/intm412070>

**8. Information on dispute resolution**

<b>Competent Authority</b>	Deputy Director Transfer Pricing (BAI) HMRC 9 <sup>th</sup> Floor, 10 South Colonnade, London, E14 4PU
<b>Organization</b>	Business, Assets and International (CS&TD) HMRC
<b>Scope of MAP &amp; MAP APA</b>	Relief for taxation not in accordance with the Convention.  Interpretation and application of the Convention as required to arrive at solutions for specific cases.
<b>Domestic guidelines &amp; administrative arrangements</b>	Domestic guidelines: • General guidance on website: <a href="https://www.gov.uk/hmrc-internal-manuals/international-manual">https://www.gov.uk/hmrc-internal-manuals/international-manual</a>
<b>Time for filing</b>	MAP - as prescribed in the Convention 6 years from the end of the chargeable period. * Taxpayers should be mindful of other jurisdictions' time limits.
<b>Form of request</b>	MAP & APA : no specific form
<b>Documentation requirement</b>	MAP HMRC requires that sufficient information and documentation is provided to enable the UK Competent Authority to fully assess the request for MAP. A detailed list of the information and documentation requirements in respect of requests under a tax treaty (drawing on the guidance in MEMAP) can be found at INTM 423130 via the above manual link.  APA No specific provisions.
<b>User fees</b>	None.
<b>Tax collection / penalty / interest</b>	Normal principles apply.
<b>Other dispute resolution mechanisms</b>	EU Arbitration Convention
<b>Government Website</b>	<a href="https://www.gov.uk/government/organisations/hm-revenue-customs">https://www.gov.uk/government/organisations/hm-revenue-customs</a>

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.

<https://www.gov.uk/hmrc-internal-manuals/international-manual/intm422010>

#### **10. Links to relevant government websites**

Her Majesty's Revenue and Customs:

<https://www.gov.uk/government/organisations/hm-revenue-customs>

#### **11. Other relevant information**