

Summary of Draft Discussion Paper on Intra-Group Central Service:

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	Category	No.	Question long version	Question summarized	Comment	Priority	Working Group
Appropriateness of charges	Qualification	1.	Does the Forum wish to develop one or both criteria to aid clarity?	More detailed analyses of economic/ commercial value of service?	Cluster 1 category related	low	
	Qualification	2.	Is it necessary for the Forum to consider a clearer "benefit" type test?	Clearer definition of the term benefit	Cluster 1 category related	high	
	Qualification	3.	Does the Forum deem it worthwhile to develop further guidance on what is a service and what facts should be considered when deciding whether a service has been rendered?	Clearer definition of the term service?	Cluster 1 category related	medium	
	Qualification	4.	In the daily practise it has become common for some groups to request subsidiaries to invoice some services (e.g. "intellectual" services) to headquarters that would subsequently recharge the same services back to the subsidiaries. Does the Forum consider it appropriate to provide some guidance on this practise?	Clarification on back and forth charging?		low	
	Qualification	5.	Does the Forum consider it worthwhile updating and/or developing a longer list of examples of shareholder expenses (which therefore would not constitute a service)?	Specification of the term shareholder expenses?	Cluster 1 category related	medium	
	Qualification	6.	Does the Forum consider it worthwhile developing a list of examples of activities that would constitute stewardship activity?	Specification of the term stewardship expenses?	Cluster 1 category related	medium	
	Qualification	7.	Would it be relevant for the Forum to develop guidance for later periods in situations where the expected economic or commercial value did not arise in the first year for ongoing services?	Further guidance concerning ex-post adjustment?			
	Qualification	8.	A complementary point of discussion could be, whether a system in which budgeted amounts were charged with a subsequent year-end adjustment to actual amounts would be acceptable.	System of adjusting FC values to actual figures ex post?		low	
	Quantification	9.	Does the Forum consider it helpful to deepen the analysis and provide more guidance, possibly through additional examples, of when a mark-up is appropriate?	Guidance when a mark-up is appropriate?	Cluster 3 category related		
	Direct vs. Indirect charge	10.	Does the Forum accept that where a direct charge method is not used, provided that all other tests are met then the standard of evidence used for the application of an indirect charge method should be viewed with some leniency? Does the Forum wish to make this view contingent on a direct charge method being too difficult to apply rather than a choice being made not to apply it?	Possibility / Leniency on the usage of indirect charge method?	Cluster 2 category related	high	
	Direct vs. Indirect charge	11.	Does the Forum wish to deepen its analysis on allocation keys and what might constitute "leniency" or "plausible?" Is it necessary to develop a rule for when an affiliate has benefited or is the Forum content with the analysis in this paper?	Further analyses what causes leniency?	Cluster 1 category related	high	
	Direct vs. Indirect charge	12.	Does the Forum wish to develop guidance on the methods for distribution keys for indirect charges, based on different parameters and methods of last resort?	Further analyses on allocation keys and distribution / apportionment methods?	Cluster 2 category related	high	
Risk assessment approach	Risk assessment before audit	13.	Does the Forum wish to develop a risk assessment approach to service fees?	Development of a risk assessment approach for service fees?	Cluster 3 category related		
	Risk categorisation	14.	Does the Forum consider that a definition of low risk activities for services would be useful?	Implementation of the term low risk?	Cluster 3 category related		
	Risk categorisation	15.	Is the description above a useful starting point for developing a definition? Within the definition, does the Forum consider it useful to have some examples?	Content of a low risk definition?	Cluster 3 category related	medium	
	Risk categorisation	16.	Are the services mentioned above useful examples of a low risk activity?	Define low risk examples?	Cluster 3 category related	medium	
	Risk categorisation	17.	Does the Forum wish to complete and categorize the list of OECD examples provided in the annex?	Completion and categorisation on OECD examples concerning shareholder / stewardship?	Cluster 1 category related	low	
	Risk categorisation	18.	Does the Forum wish to pursue this approach and agree both a definition (either by inclusion or exclusion) of what services can enjoy a standard mark-up and what is a standard range of mark-up?	Introduction of safe harbour and categorisation for different margins?	Cluster 3 category related	high	
	Risk categorisation	19.	If the Forum would agree with the previous question, it will also be necessary to develop some guidance on what costs the mark-up should be applied and it could be helpful to support the mark-up by comparables and to review the pricing (range) regularly (limitation in time).	Analyses in order to find comparables for typical mark-ups and review of mark-ups over time?	Cluster 3 category related	high	
	Risk categorisation	20.	Does the Forum also wish to take the opportunity to define a high risk activity?	Definition of the term high-risk?	Cluster 3 category related	low	
	Risk categorisation	21.	Does the Forum wish to establish trigger points?	Introduction of "trigger-point" (minimum values)?	Cluster 3 category related	medium	
	Risk categorisation	22.	If so what "trigger points" and related criteria including safeguards would be appropriate?	What criteria do trigger-points have to fulfil (% of revenue)?	Cluster 3 category related	medium	
AC and MAP	23.	Does the Forum believe that in the circumstances of the AC or MAP procedure a risk assessment approach to low risk services is also appropriate? For instance, would it be relevant for low risk services to give an automatic corresponding adjustment. Or would an agreement on a de-minimise limit under which a corresponding adjustment would be given without further consideration be appropriate?	Implication of an automatic corresponding adjustment for low risk services?	Cluster 3 and 4 category related	low		
AC and MAP	24.	Does the Forum think that where the tax administration of the parent has conducted an audit on this type of costs the second tax administration does not have to conduct an audit type procedure in order to give a corresponding adjustment?	Eliminate of counter-audit in order to get corresponding adjustment	Cluster 3 and 4 category related	low		

	AC and MAP	25.	Does the Forum wish to consider how factual verification, such as the activities of foreign auditors could be facilitated by the tax administration of the parent?	Enhanced cooperation between tax authorities by exchanging audit information?	Cluster 3 and 4 category related	low	
Documentation	Required documentation	26.	Does the Forum consider it useful to develop a short list of evidence that would facilitate the acceptance by tax administrations of a deduction for low risk activities without having to conduct a full audit? Is the above list a useful starting point?	Definition of a list with accepted documents in an audit especially on order to enable an audit "light" for low risk activities?	Cluster 4 category related	high	
	Required documentation	27.	Does the Forum consider that this short list of evidence could also be applied to the "trigger points" approach?	Application of this list to the trigger points?	Cluster 4 category related	low	