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STATUTORY INSTRUMENTS

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**2018 No. 266**

**CORPORATION TAX  
INCOME TAX**

**The Taxation (International and Other Provisions) Act  
2010 Transfer Pricing Guidelines Designation Order 2018**

<i>Made</i>	- - - -	<i>28th February 2018</i>
<i>Laid before the House of Commons</i>	- - - -	<i>1st March 2018</i>
<i>Coming into force</i>	- -	<i>23rd March 2018</i>

The Treasury, in exercise of the powers conferred by section 164(4)(b) of the Taxation (International and Other Provisions) Act 2010<sup>(1)</sup>, make the following Order:

**Citation and commencement**

1.—(1) This Order may be cited as the Taxation (International and Other Provisions) Act 2010 Transfer Pricing Guidelines Designation Order 2018 and comes into force on 23rd March 2018.

(2) This Order has effect (in relation to provision made or imposed at any time)—

- (a) for corporation tax purposes, for accounting periods beginning on or after 1st April 2018, and
- (b) for income tax purposes, for the tax year 2018–19 and subsequent tax years.

**Designation**

2. For the purposes of section 164(4) of the Taxation (International and Other Provisions) Act 2010, the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations published by the OECD on 10th July 2017<sup>(2)</sup> are designated for the time being.

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(1) 2010 c. 8; section 164(4) was substituted by the Finance Act 2011 (c.11), section 58 and then amended by Finance Act 2016 (c.24), section 75(1).

(2) These guidelines are available to registered readers in hard copy at the British Library and online at [http://www.oecd-ilibrary.org/taxation/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-2017\\_tpg-2017-en](http://www.oecd-ilibrary.org/taxation/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-2017_tpg-2017-en), ISBN 978-92-64-26273-7 (print) and ISBN 978-92-64-26512-7 (PDF).”; and.

28th February 2018

*Andrew Stephenson*  
*Craig Whittaker*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

UK transfer pricing rules are based on the internationally agreed arm's length principle. Guidance on applying the arm's length principle is set out in the Organisation for Economic Co-operation and Development (OECD) transfer pricing guidelines, which are referred to in UK transfer pricing legislation.

On 10th July 2017 the OECD published a new version of its transfer pricing guidelines.

The Order updates the definition of 'the transfer pricing guidelines' in the UK's legislation by designating the new 2017 version in place of the version referred to in section 164(4)(a) of the Taxation (International and Other Provisions) Act 2010.

This UK transfer pricing rules operate by comparing the actual provision made or imposed as between two persons with the arm's length provision which would have been made as between independent parties (section 147 of the Taxation (International and Other Provisions) Act 2010).

This Order has effect in relation to provision made or imposed at any time—

- (a) for corporation tax purposes, for accounting periods beginning on or after 1st April 2018, and
- (b) for income tax purposes, for the tax year 2018-19 and subsequent tax years.

A copy of the OECD Transfer Pricing Guidelines 2017 is held in the British Library collection and is available for inspection free of charge in the library's reading rooms to registered readers. Registration for a reader pass is also free of charge. Further information can be found on the British Library website at <https://www.bl.uk/visit/reading-rooms>.

The OECD Transfer Pricing Guidelines 2017 are also available to review free of charge on the OECD website at [http://www.oecd-ilibrary.org/taxation/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-2017\\_tpg-2017-en](http://www.oecd-ilibrary.org/taxation/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-2017_tpg-2017-en)."

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.