

**2022 No. 1147**

**CORPORATION TAX**

**INCOME TAX**

**The Taxation (International and Other Provisions) Act 2010  
Transfer Pricing Guidelines Designation Order 2022**

<i>Made</i> - - - -	<i>3rd November 2022</i>
<i>Laid before the House of Commons</i>	<i>8th November 2022</i>
<i>Coming into force</i> - -	<i>1st January 2023</i>

The Treasury make the following Order in exercise of the powers conferred by section 164(4)(b) of the Taxation (International and Other Provisions) Act 2010(a).

**Citation, commencement and effect**

1.—(1) This Order may be cited as the Taxation (International and Other Provisions) Act 2010 Transfer Pricing Guidelines Designation Order 2022 and comes into force on 1st January 2023.

(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 January 2023, and
- (b) for income tax purposes, for the tax year 2023-24 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 2022 published by the OECD on 20th January 2022(b) are designated for the time being.

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

(b) A paper copy of the guidelines is available for inspection at the HMRC address provided in the Explanatory Note. The guidelines are also available online at <https://www.oecd.org/tax/transfer-pricing/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-20769717.htm>, ISBN 978-92-64-52691-4 (print) and ISBN 978-92-64-92191-7 (PDF).

## Revocation

3. The Taxation (International and Other Provisions) Act 2010 Transfer Pricing Guidelines Designation Order 2018(a) is revoked.

*Amanda Solloway  
Nigel Huddleston*

3rd November 2022

Two of the Lords Commissioners of His Majesty's Treasury

## EXPLANATORY NOTE

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

UK transfer pricing rules are based on the internationally agreed arm's length principle, which is now set out in Article 9 of the Model Tax Convention on Income and on Capital 2010 (b). 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 periodically updated and republished, and are referred to in UK transfer pricing legislation.

UK transfer pricing rules operate by comparing the actual provision, by means of a transaction or series of transactions made or imposed as between two connected parties, with the arm's length provision which would have been made as between two independent parties (see section 147 of the Taxation (International and Other Provisions) Act 2010 ("TIOPA")).

The OECD published a new version of its Transfer Pricing Guidelines on 20th January 2022. The Order designates those guidelines for the purposes of the definition of "the transfer pricing guidelines" in section 164(4)(a) of TIOPA.

The 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 January 2023, and
- (b) for income tax purposes, for the tax year 2023-24 and subsequent tax years.

The Order also revokes and replaces the Taxation (International and Other Provisions) Act 2010 Transfer Pricing Guidelines Designation Order 2018 (S.I. 2018/266).

A paper copy of the OECD Transfer Pricing Guidelines 2022 is available for inspection at: His Majesty's Revenue and Customs, 100 Parliament Street, London SW1A 2BQ. The OECD Transfer Pricing Guidelines 2022 are also available to review free of charge on the OECD website at: <https://www.oecd.org/tax/transfer-pricing/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-20769717.htm>.

A Tax Information and Impact Note covering this instrument has not been prepared for this instrument as it contains no substantive changes to tax policy.

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- (a) S.I. 2018/266.
- (b) The Model Tax Convention on Income and on Capital 2010 (Full Version) can be found here: [https://read.oecd-ilibrary.org/taxation/model-tax-convention-on-income-and-on-capital-2010\\_9789264175181-en#page1](https://read.oecd-ilibrary.org/taxation/model-tax-convention-on-income-and-on-capital-2010_9789264175181-en#page1).



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