Secondary adjustments to transfer pricing legislation

International Tax Large Corporate

01 October 2016

The CIOT has told the government that secondary adjustments should not be introduced into the UK's domestic transfer pricing legislation.

In our response to the consultation document published in May (Introduction of Secondary Adjustments into the UK's Domestic Transfer Pricing Legislation) on whether secondary adjustments should be introduced into the UK's domestic transfer pricing legislation we said these proposals should be halted. To do so would not be consistent with the government's commitment in the Business Tax Roadmap to make the UK's tax system more efficient and competitive. Instead they would introduce increased complexity for little benefit, making the UK less competitive. We said such unilateral rules would increase double taxation and, even if that issue is resolved, cause serious cash flow problems.

Read the full CIOT response on the CIOT website.