

Insurance Europe's feedback on the European Commission's proposal for a Transfer Pricing Directive

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Insurance Europe shares the goals of the proposed Transfer Pricing (TP) Directive. At the same time, Insurance Europe stresses the importance that EU legislation does not deviate - now or in the future - from the OECD's transfer pricing guidelines, as this would create additional challenges for groups that operate both inside and outside the EU.

- The purpose of the proposed Directive is to codify the OECD's transfer pricing guidelines into EU law and thus create a unified interpretation of the market conditions principle. The OECD's transfer pricing guidelines have a significant impact in the field of transfer pricing; however, the guidelines are currently implemented into the laws of member states to varying degrees.
- The OECD's transfer pricing guidelines are less binding than EU law. The implementation of the proposed TP Directive will be based upon consensus among member states in the Council of the EU. However, this could increase the separation of future EU rules from the principles agreed by the OECD. It should also be taken into account that the translation of the OECD instructions into the EU Directive, and finally their translation into the national legislation and implementation at national level, is a long and time-consuming process.

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