NOTE
from: General Secretariat
to: Working Party on Tax Questions - Direct Taxation
Subject: Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on the work of the EU Joint Transfer Pricing Forum in the period July 2010 to June 2012 and related proposals
- 1. Report on Small and Medium Enterprises and Transfer Pricing and
- 2. Report on Cost Contribution Arrangements on Services not creating Intangible Property (IP)
- Draft Council conclusions

1. In September 2012, the Commission transmitted to the Council the abovementioned Communication (doc. 14267/12 FISC 128).

2. Following discussions at the Working Party on Tax Questions - Direct Taxation on 24 October 2012, the Presidency has drawn up draft Council Conclusions on the Commission Communication on the EU Joint Transfer Pricing Forum.

3. The text as set out in the Annex reflects the agreement reached at the meeting.
Commission Communication on the EU Joint Transfer Pricing Forum

Draft Council conclusions

The Council:

- welcomes the Communication from the Commission of 19 September 2012 on the work of the EU Joint Transfer Pricing Forum in the period July 2010 to June 2012 and related proposals 1. Report on Small and Medium Enterprises and Transfer Pricing and 2. Report on Cost Contribution Arrangements on Services not creating Intangible Property (IP);

- recognises the importance of improving the transfer pricing environment in which SMEs operate within the EU, welcomes the Report on Small and Medium Enterprises and Transfer Pricing and invites Member States to implement its recommendations;

- welcomes the Report on Cost Contribution Arrangements on Services not creating IP and looks forward to the implementation of the recommendations included therein by Member States. Together with the existing JTPF Guidelines on low value adding intra-group services, they should contribute to reducing tax disputes related to intra-group services within the EU and help improve the functioning of the internal market;

- continues to regard the EU Joint Transfer Pricing Forum as a valuable resource in addressing transfer pricing issues and providing pragmatic solutions to a variety of such issues, recognising the work of the OECD.