This course reviews section 482 of the U.S. Internal Revenue Code (IRC) and the Treasury regulations thereunder, with a focus on multinational corporations (MNCs) and their related party transactions that are subject to the arm's length standard. Students will learn to apply U.S. transfer pricing regulations to a variety of related party transactions involving MNCs including transfers of intangible property and tangible property and the provision of services. Particular emphasis will be placed on intangible property transactions. The course also emphasizes issues associated with the global allocation of profits attributable to functions performed, risks incurred and resources employed.

T515 International Taxation I is required for students to enroll in the course.

Reading assignments are from the IRC and Regulations, court case decisions, and other materials available through the course website, found at [https://courses.law.washington.edu/…/]. An additional text that is useful but not required is Organization for Economic Cooperation and Development, *Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* (2010).

Grading will be based on class participation (10%) during lectures, a short presentation on a transfer pricing court case (25%), an in-class group project (25%), and a final exam based on short essay questions (40%). You may miss one class without it affecting your grade. If you miss more than one class, you can earn make-up credit through additional assignments (to be determined on a case by case basis).

The schedule of classes and related reading assignments is as follows:

**Sessions 1 (April 4th)** – Overview of Transfer Pricing – Framework, Cases, Section 482 (format, general rules, controlled transaction)

Required Reading:
Code § 482, Reg. § 1.482-1
☐ FORMAN CO., INC. v. COMM., 29 AFTR 2d 72-403 (453 F.2d 1144), (CA2), 01/10/1972

Recommended Reading:
☐ Notice 88-123, 1988-2 CB 458 -- IRC Sec(s). 482
☐ 1988 White Paper, A Study of Intercompany Pricing under Section 482 of the Code

**Sessions 2 (April 11th)** – Foundational Principles & Services Transactions (comparability, methods, special rules)

Required Reading:
Reg. § 1.482-1, but only skim headings in § 1.482-2
Reg. § 1.482-9(a),(b)(1)-(4),(l)
Hospital Corp. of America v. CIR, 81 T.C. 520 (1983)

Session 3 (April 18th) – Transfers of Tangible Property

Required Reading:
Reg. §§ 1.482-3, -5, -6. But only skim rules for TP methods
National Semiconductor Corp. v. CIR, T.C. Memo 1994-195, 67 TCM 2849

Recommended Reading:
Compaq Computer Corp. v. CIR, T.C. Memo 1999-220, 78 TCM 20

Session 4 (April 25th) – Transfers of Intangible Property

Required Reading:
Reg. §§ 1.482-4, 1.482-4T(f)(3) but only skim rules for TP methods
Bausch & Lomb, Inc. v. CIR, 92 T.C. 525 (1989), aff'd, 933 F2d 1084 (2d Cir. 1991)

Sessions 5 (May 2nd) – Cost Sharing

Required Reading:
Reg. § 1.482-7 but only skim rules for TP methods
Veritas Software Corp. v. CIR, 133 T.C. No. 14 (2009)

Sessions 6 (May 9th) – Class Project  (Project will be prepared and completed within class. No advance preparation required)

Session 7 (May 16th) – Penalties & Required Documentation

Required Reading:
Code § 6662, Reg. § 1.6662-6, Code §§ 982, 6038A

Session 8 (May 23rd) – IRS Enforcement & Recent Key Developments in Transfer Pricing (IRS Exams, IRS Appeals, Transfer Pricing litigation), APAs, Competent Authorities, Treaties and OECD (BEPS)

Required Reading: