

Tax Audits on Transfer Pricing Issues

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Turkey adapted OECD Transfer Pricing rules/guidelines to its national legislation in 2007,
but,
Are Tax audits on transfer pricing issues by the Ministry of Finance of Turkey sufficient?

Research Questions

What is the majority of transfer pricing audit in general tax audits?
(by number and percentage)

Is the structure of Tax Audit Administration effective for transfer pricing audits?

Are the tax audits on transfer pricing related to cross-border transactions or national ?

Research Period

2017-2018-2019

Comparison: General/TP audits And Distinguishing types

The number(percentage) of reporting and the amount of tax assessments **by general tax audits**, via Annual Report of the Finance Ministry, other data, especially based on accounting

The number(percentage) of reporting and the amount of tax assessments **by Transfer pricing tax audits**, via Annual Report of the Finance Ministry, other data, especially based on accounting

How is the type of Transfer pricing audits?
Simple?: lending without arm's length principle
Complicated?: purchasing/selling goods or services, immovable property,

The Structure of Tax Audit Units (comparison with last restructure)

There is(was) a separate tax audit group in Turkey's Audit Unit which is allocated only to **transfer pricing** tax audits.

What is comparison the number of tax inspector working in Transfer pricing tax audits Group and general tax audits Groups?

General tax audits groups carry out **transfer pricing** tax audits as well, so what is the difference?

The Scope: Cross-border or domestic

The number of reporting and the amount of tax assessments by transfer pricing tax audits on **cross-border transactions of MNEs**.

The number of reporting and the amount of tax assessments by transfer pricing tax audits on **cross-border transactions national companies**

The number of reporting and the amount of tax assessments by transfer pricing tax audits on **domestic transactions national companies**

Suggestions(probable) for Improvement

Simple transfer pricing audits should be solved **by advanced audits** instead of tax audits.

The number of **complicated** transfer pricing(e.g. buying/selling goods-services, IP) audits should increase.

General(or sectoral) tax audits groups can carry out complicated transfer pricing audits with **specializing**.

'Work Plan' regarding TP tax audits on cross-border transactions of MNEs and national companies