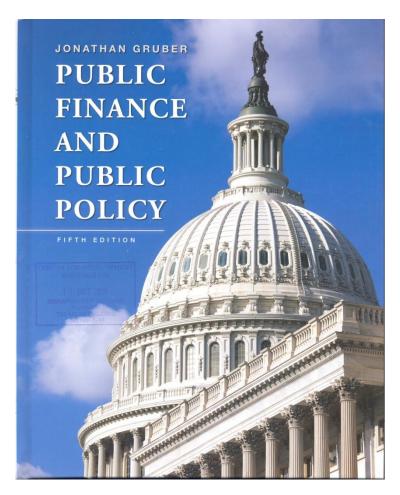
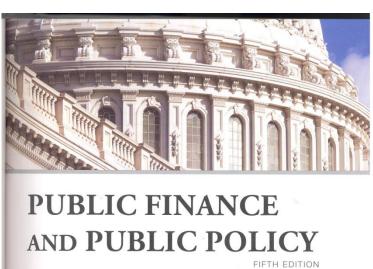
Content Pages of New Arrivals- from CDI





Jonathan Gruber

Massachusetts Institute of Technology

WORTH PUBLISHERS

Department of National Planning
Centre for Development Information
LIBRARY
Acc. No: 11,663
Class No: 236

BRIEF CONTENTS



Contents vii Preface xvii

PART I Introduction and Background

- 1 Why Study Public Finance? 1
- 2 Theoretical Tools of Public Finance 27
- 3 Empirical Tools of Public Finance 65
- 4 Budget Analysis and Deficit Financing 93

PART II Externalities and Public Goods

- 5 Externalities: Problems and Solutions 123
- 6 Externalities in Action: Environmental and Health Externalities 153
- 7 Public Goods 191
- 8 Cost-Benefit Analysis 219
- 9 Political Economy 241
- 10 State and Local Government Expenditures 275
- 11 Education 305

PART III Social Insurance and Redistribution

- 12 Social Insurance: The New Function of Government 335
- 13 Social Security 367
- 14 Unemployment Insurance, Disability Insurance, and Workers' Compensation 403
- 15 Health Insurance I: Health Economics and Private Health Insurance 433
- 16 Health Insurance II: Medicare, Medicaid, and Health Care Reform 471
- 17 Income Distribution and Welfare Programs 511

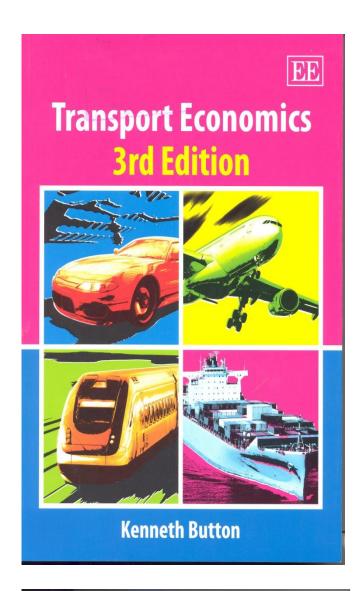
PART IV Taxation in Theory and Practice

- 18 Taxation: How It Works and What It Means 549
- 19 The Equity Implications of Taxation: Tax Incidence 585
- 20 Tax Inefficiencies and Their Implications for Optimal Taxation 619
- 21 Taxes on Labor Supply 657
- 22 Taxes on Savings 683
- 23 Taxes on Risk Taking and Wealth 713
- 24 Taxation of Business Income 739
- 25 Fundamental Tax Reform and Consumption Taxation 777

Glossary G-1

References R-1

Index I-1



Transport Economics

3rd Edition

Kenneth Button

University Professor, School of Public Policy, George Mason University, USA

Department of National Planning
Centre for Development Information
Little Acc. No: 11, 666
Class No: 385

Edward Elgar Cheltenham, UK • Northampton, MA, USA

Pref	face	ix
1	Transport and Economics	1
1	1.1 Transport economics	1
	1.2 The emergence of modern transport economics	3
	1.3 The scope of the subject	6
	1.4 The economic characteristics of transport	13
	1.5 The framework of the book	15
	Further reading	18
2	Transport, Transport Markets and Transport Industries	19
_	2.1 Introduction	19
	2.2 The global picture	20
	2.3 Transport at the national level	29
	2.4 Local transport	36
	2.5 Emerging trends	41
	Further reading	47
3	Movement, Transport and Location	48
	3.1 The desire for movement	48
	3.2 The 'chicken or egg' problem	49
	3.3 Transport and industrial location	53
	3.4 Gateways and corridors	60
	3.5 Output, market area and transport costs	64
	3.6 Urban transport and land values	68
	3.7 Transport and urban wage rates	73
	Further reading	76
4	The Demand for Transport	78
	4.1 Introduction	78
	4.2 Factors that influence travel demand	80
	4.3 The notion of a 'need' for transport	96
	4.4 The valuation of travel time savings	99
	4.5 The demand for car ownership	108
	Further reading	115
5	The Direct Costs of Transport	116
	5.1 The supply of transport	116

	5.2	Fixed and variable costs	118		
	5.3	Economies of scale, scope, density and experience	129		
	5.4	Specific, joint and common costs	133		
	5.5	Problems of common cost allocation – the road and rail track			
		cases	135		
	5.6	Transport user costs and the notion of generalized costs	142		
	5.7	The bunching of services	147		
	5.8	Elements of economic performance	149		
	5.9	Costs and the measurement of economic efficiency	152		
	Furtl	ner reading	160		
6	The I	External Costs of Transport	161		
	6.1	Introduction	161		
	6.2	What are externalities?	161		
	6.3	Transport and the environment	164		
	6.4	The valuation of externalities	167		
	6.5	The magnitude of the environmental externality problem	173		
	6.6	Energy use	187		
	6.7	Introduction to traffic congestion	191		
	6.8	The economic costs of congestion	197		
	6.9	Some refinements on the basic congestion model	199		
	6.10	Some broad aggregate calculations	204		
	Furt	her reading	205		
7	Prici	ng of Transport Services	207		
	7.1	The principles of pricing	207		
	7.2	Matching supply with demand	208		
	7.3	Marginal cost pricing	212		
	7.4	Difficulties of 'second-best' situations	216		
	7.5	Price differentiation, price discrimination and yield			
		management	218		
	7.6	Pricing with stochastic demand	235		
	7.7	The problem of the peak	237		
	7.8	Transport subsidies, operational objectives and pricing	241		
	7.9	Market instability, suboptimal supply and the empty core	244		
	7.10	Indirect pricing	247		
	Furt	her reading	250		
8	Containing the Environmental Costs of Transport				
	8.1	Introduction	251		
	8.2	The basic approaches	252		
	8.3	The Coasian solution – tradable permits	253		
	8.4	The 'polluter-pays' principle	256		
	8.5	More on environmental standards	26		
	8.6	Transport subsidies and the environment	264		

		CONTENTS	
	8.7 Protecting the sufferers	268	
	8.8 Energy use	270	
	8.9 Safety and accidents	279	
	Further reading	283	
9	Optimizing Traffic Congestion	284	
	9.1 The economic approach	284	
	9.2 'Road pricing'	285	
	9.3 Examples of urban road pricing	290	
	9.4 Some difficulties with road pricing	292	
	9.5 Outcomes of road pricing implementation	302	
	9.6 Parking policies	305	
	9.7 Congestion pricing at airports	307	
	9.8 Congested seaports	320	
	9.9 Non-congestion pricing options	321	
	Further reading	325	
10	Some Economics of Transport Logistics	327	
	10.1 Introduction	327	
	10.2 What is 'transport logistics'?	328	
	10.3 Transport costs, warehousing and inventory holdings	331	
	10.4 Consolidation and trans-shipment	335	
	10.5 The mode choice	337	
	10.6 Urban logistics	341	
	10.7 Green logistics	343	
	10.8 International logistics	346	
	10.9 Security	347	
	Further reading	354	
11	Investment Criteria – Private and Public Sector Analysis	356	
	11.1 The importance of infrastructure	356	
	11.2 Basic principles	358	
	11.3 Commercial and social approaches to investment	361	
	11.4 The theory of cost–benefit analysis	365	
	11.5 Coping with network effects	371	
	11.6 CBA in practice and variations on the theme	373	
	11.7 Comparability between appraisal techniques	382	
	11.8 Assessing the effect on national income	385	
	11.9 Some institutional considerations	388	
	Further reading	391	
12	Transport Planning and Forecasting	392	
	12.1 The development of transport planning	392	
	12.2 The theory of transport planning	396	
	12.3 Traffic modeling and forecasting	401	

vii

	12.4	Sequential travel demand forecasting	405
	12.5	Disaggregate modeling	412
	12.6	Interactive and stated preference modeling	415
	Furth	ner reading	418
13	Trons	mont and David account	440
13		sport and Development	419
	13.1	Transport and economic development	419
	13.2	Economic growth theory and transport	420
	13.3	Transport infrastructure investment and economic productivity	426
	13.4	The multiplier impacts of a transport investment	429
	13.5	Transport economics in less developed countries	434
	13.6	The transport policy of the European Union	441
	13.7	Transport and regional and urban development	452
	Furth	ner reading	459
14	The E	Economic Regulation of Transport	461
	14.1	The broad issues	461
	14.2	Theories of regulation	463
	14.3	The regulation of monopoly power	469
	14.4	Priorities in transport policy	473
	14.5	Alternative paths for regulatory reform	483
	14.6	Studying regulatory reform	488
	14.7	Coordination via the market, or by direction?	493
	Furth	er reading	497
T 1			
Inde	2X		499

Public Policy Making

Process and Principles





THIRD EDITION

Larry N. Gerston

Public Policy Making

Process and Principles

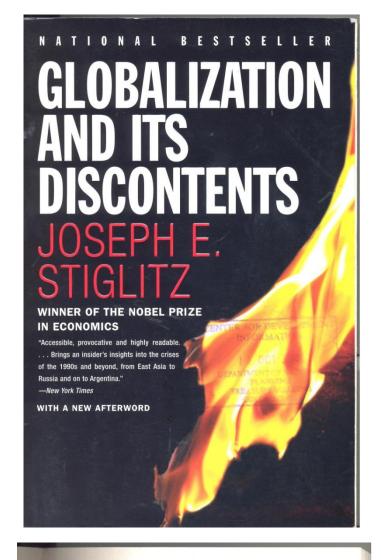
THIRD EDITION

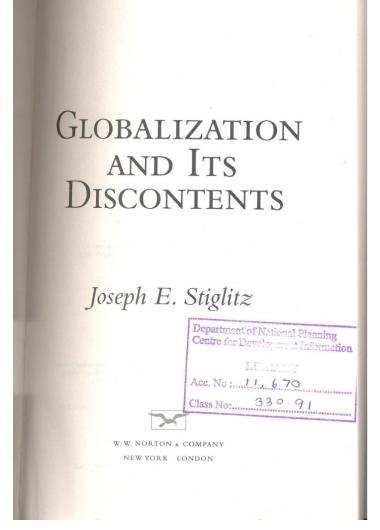
Larry N. Gerston

Department of National Planning Centre for Development Informati

Routledge Saylor & Francis Group
LONDON AND NEW YORK

Preface to	the Third Edition	ix
Chapter 1	The Context of Public Policy	, 3
Chapter 2	Triggering Mechanisms: Catalysts for Public Policies	22
Chapter 3	The Public Agenda: Focal Point for Policy Decisions	48
Chapter 4	The Policy Makers: Roles and Realities	70
Chapter 5	Implementation: Converting Policy Commitments into Practice	90
Chapter 6	Evaluation: Assessments and Directions	112
Chapter 7	Public Policy Making in an Evolutionary Context	127
Notes		135
Index		151
About the A	Author	161



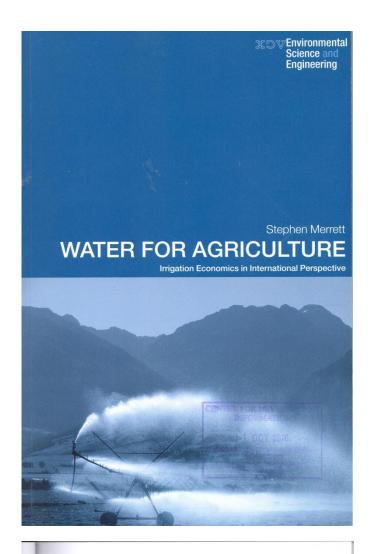


CONTENTS

Preface ix Acknowledgments xvii

- 1. The Promise of Global Institutions 3
- 2. Broken Promises 23
- 3. Freedom to Choose? 53
- 4. The East Asia Crisis: How IMF Policies Brought the World to the Verge of a Global Meltdown 89
- 5. Who Lost Russia? 133
- 6. Unfair Fair Trade Laws and Other Mischief 166
- 7. Better Roads to the Market 180
- 8. The IMF's Other Agenda 195
- 9. The Way Ahead 214

Afterword 253
Notes 259
Index 275



Water for Agriculture

Irrigation economics in international perspective

Stephen Merrett

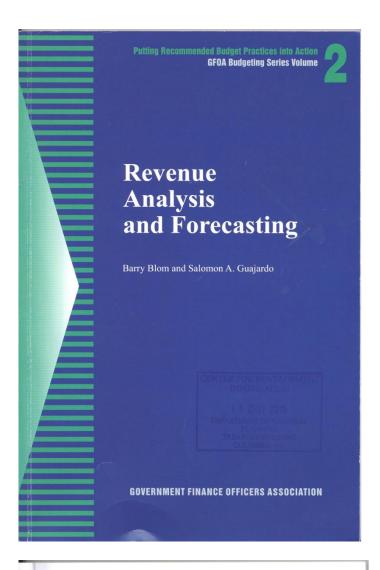


Department of National Planning Centre for Development Information

Class No: 626.81

London and New York

	Acknowledgements List of abbreviations Units of measurement	viii x xiii
1	The global challenge	1
2	The demand for irrigation services	18
3	Irrigation service supply: the infrastructure	44
4	Irrigation service supply: operation, maintenance and management	73
5	Drainage services demand and supply	100
6	Social cost-benefit analysis for irrigation and drainage projects	121
7	Water allocation at the regional scale	148
8	Institutional economics and irrigation policy	183
	Glossary Bibliography Index	202 221 229



GFOA BUDGETING SERIES Volume 2

CENTER FOR DEVELOPMENT INFORMATION

1 1 OCT 2018
DEPARTMENT OF NATIONAL PLANNING
TREASURY BUILDING
COLOMBO - 01.

Revenue Analysis and Forecasting

Barry Blom Salomon A. Guajardo

> Department of National Planning Centre for Development Information

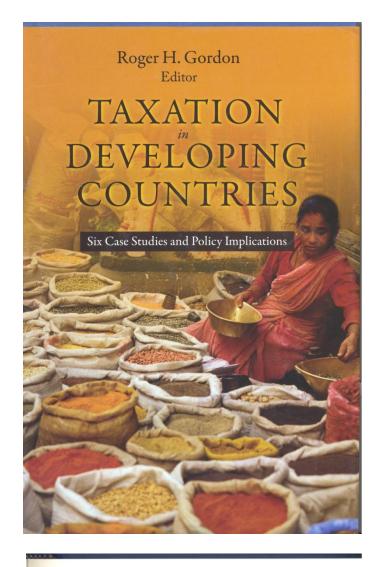
> > LUBRATIK

Acc. No :... 11 669

Class No: 336 · 1

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Foreword vii
Chapter 1. Introduction
Chapter 2. The Revenue Forecasting Process
Chapter 3. Revenue Portfolio Analysis
Chapter 4. Qualitative Revenue Forecasting Methods
Chapter 5. Quantitative Revenue Forecasting Methods 41
Chapter 6. Forecasting Validation 61
Chapter 7. Monitoring Revenue Projections 69
Chapter 8. Implementing NACSLB Recommended Practices 77
Appendix. Glossary
EXHIBITS
Exhibit 2-1 Annual Revenue Forecasting Process
Exhibit 2-2 Five-year Revenue Forecasting Process



TAXATION DEVELOPING COUNTRIES

SIX CASE STUDIES AND POLICY IMPLICATIONS

EDITED BY

Roger H. Gordon





COLUMBIA UNIVERSITY PRESS NEW YORK

CONTENTS

Acknowledgments ix Acronyms xi

Introduction: Overview of Tax Policy in Developing Countries	I
Roger H. Gordon 1. Development-Oriented Tax Policy Joseph E. Stiglitz	II
2. Taxes and Development: Experiences of India vs. China, and Lessons for Other Developing Countries *Roger H. Gordon*	37
3. Tax Policy in Argentina: Between Solvency and Emergency Oscar Cetrángolo and Juan Carlos Gómez Sabaini	62
4. Tax System Reform in India M. Govinda Rao and R. Kavita Rao	109
5. History of Russian VAT Sergei Koulayev	153
6. Tax Reform in Kenya: Policy and Administrative Issues Nada O. Eissa and William Jack	198
7. Korea's Tax System: A Growth-Oriented Choice Joosung Jun	220
8. Tax Structure and Tax Burden in Brazil: 1980–2004 José Teófilo Oliveira and Ana Carolina Giuberti	255

Contributors 295 Index 299 WHY

Brilliant in its simplicity and power' Steven Levitt

NATIONS

'Compelling and highly readable' Niall Ferguson FAIL

THE ORIGINS OF POWER, PROSPERITY AND POVERTY

DARON ACEMOGLU & JAMES A. ROBINSON

Shortlisted for the FT and Goldman Sachs Business Book of the Year Award

Why Nations Fail

THE ORIGINS OF POWER,
PROSPERITY, AND POVERTY

Daron Acemoglu and James A. Robinson

Department of National Planning Centre for Development Information

LISHARY

Acc. No: 11 665

Class No: 339-12

PROFILE BOOKS

CONTENTS

Preface • 1

Why Egyptians filled Tahrir Square to bring down Hosni Mubarak and what it means for our understanding of the causes of prosperity and poverty

I.

So Close and Yet So Different • 7
Nogales, Arizona, and Nogales, Sonora, have the same people,
culture, and geography. Why is one rich and one poor?

2.

Theories That Don't Work • 45

Poor countries are poor not because of their geographies or cultures, or because their leaders do not know which policies will enrich their citizens

3.

The Making of Prosperity and Poverty • 70

How prosperity and poverty are determined by the incentives created by institutions, and how politics determines what institutions a nation has

4.

Small Differences and Critical Junctures:
The Weight of History • 96

How institutions change through political conflict and how the past shapes the present

x . Contents

5.

"I've Seen the Future, and It Works": Growth Under Extractive Institutions • 124 What Stalin, King Shyaam, the Neolithic Revolution, and the Maya city-states all had in common and how this explains why China's current economic growth cannot last

6.

Drifting Apart • 152

How institutions evolve over time, often slowly drifting apart

7.

The Turning Point • 182

How a political revolution in 1688 changed institutions in England and led to the Industrial Revolution

8.

Not on Our Turf: Barriers to Development • 213

Why the politically powerful in many nations opposed the

Industrial Revolution

9.

REVERSING DEVELOPMENT • 245

How European colonialism impoverished large parts of the world

IO.

The Diffusion of Prosperity • 274

How some parts of the world took different paths to prosperity

from that of Britain

II.

The Virtuous Circle • 302

How institutions that encourage prosperity create positive feedback loops that prevent the efforts by elites to undermine them

CONTENTS • XI

12.

The Vicious Circle • 335

How institutions that create poverty generate negative feedback loops and endure

13.

WHY NATIONS FAIL TODAY • 368
Institutions, institutions, institutions

14.

Breaking the Mold • 404

How a few countries changed their economic trajectory by changing their institutions

15.

Understanding Prosperity and Poverty • 428

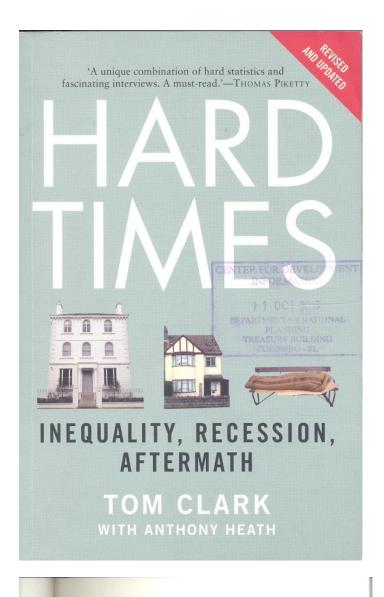
How the world could have been different and how understanding
this can explain why most attempts to combat poverty have failed

Acknowledgments • 463

BIBLIOGRAPHICAL ESSAY AND SOURCES • 465

References • 483

INDEX • 511



HARD TIMES

INEQUALITY, RECESSION, AFTERMATH

TOM CLARK
WITH ANTHONY HEATH

Department of National Planning Centre for Dove was a Marchaelian
Acc. No: 11,664
Class No: 338

YALE UNIVERSITY PRESS NEW HAVEN AND LONDON

	Foreword to the paperback edition: 'Recovery' 2015	viii
	Authorial note	xxiv
	Introduction	1
1	Not quite 1933	13
2	All in it together?	27
3	Mapping the black stuff	48
4	Toil and trouble	68
5	Anxious individuals, unhappy homes	92
6	The small society	117
7	The long shadow	135
8	A tale of two tragedies	170
9	The veil of complacency	194
0	Shelter from the storm	216
	Notes	238
	Select bibliography	284
	Acknowledgements	291
	Index	295



Plan for the Planet

A Business Plan for a Sustainable World



Ian Chambers and John Humble

Plan for the Planet

A Business Plan for a Sustainable World

IAN CHAMBERS and JOHN HUMBLE

Department of National Planning Centre for Development Information

Acc. No: 11, 662

Class No: 658 . 6

GOWER

List of Figure	S	xiii		
List of Tables	S	xvii		
Preface to the Paperback Edition				
About the Au	About the Authors			
Acknowledge	ments	xxv		
Reviews for P	Plan for the Planet	xxvii		
1	Why We Need a Plan for the Planet	1		
	The Purpose of This Book	6		
PART I	UNDERSTANDING OUR CURRENT SITUATION	13		
	From Flint Chip to Silicon Chip	13		
	However, There is a Problem	14		
	The Perfect Storm?	15		
	Crisis Can Also Create Opportunity	16		
	A Word on Complacency	17		
	Easter Island Case Study	18		
	Why Take a Business Management Approach?	22		
	A Word on 'ldealism'	23		
PART II	UNDERSTANDING THE KEY GLOBAL CHALLENGES	25		
	Understanding the Issues of the Major Challenges Faced by			
	the Human Race	25		
	Executive Briefs	27		
2	Executive Brief No. 1: Population Growth	29		
	The Current Situation	30		
	Opportunities and Best Practice	34		
	The Role of Government, Business and People	36		
3	Executive Brief No. 2: Climate Change	39		
Carlo I	The Current Situation	40		
	Opportunities and Best Practice	44		
	The Role of Government, Business and People	47		
4	Executive Brief No. 3: Energy Supplies	57		
	The Current Situation	58		
	Opportunities and Best Practice	60		
	The Role of Government, Business and People	62		

Executive Brief No. 4: Water and Food Supplies	69		The Perfect Opportunity?	154
The Current Situation – Water Supplies	70		The Key Next Steps: Developing a Plan for the Planet	155
Solutions and Best Practice: Water Supplies	74		The Rey Prest Steps. Developing a ram for the rame	
The Role of Government, Business and People	76	- com TIT	DEVELOPING A PLAN FOR THE PLANET	157
The Current Situation – Food Supplies	78	PART III	DEVELOUING IN THE PROPERTY OF	
Solutions and Best Practice – Food Supplies: The Role			Building a Global Vision for Planet Earth	159
of Government, Business and People	82	13	Why a Vision for Planet Earth?	159
or dovernment, business und respie			Building a Vision for Our Plan for the Planet	160
Executive Brief No. 5: Planet Sustainability			Developing a '2030 Mission'	166
and Biodiversity	89		Developing a management	
The Current Situation	90	14	Global Objectives and Strategies: Addressing Our Key	
Opportunities and Best Practice	95	14	Global Challenges	167
The Role of Government, Business and People	96		Involvement of the Global Community	169
The Note of Government, Samuel Samuel			Objectives, Strategies and Action Plan Summary	169
Executive Brief No. 6: Extreme Poverty	101		Business Plan Summary	171
The Current Situation	102		Daniel Control of the	
Solutions and Best Practice	103	15	Taking Responsibility: Translating Understanding	
Opportunities	104	10	into Action	183
The Role of Government, Business and People	105		Organisational and Personal Action Planning: What, When,	
			and How?	183
Executive Brief No. 7: Global Health	109		Developing Your Plan for the Planet (Government, Business or	
The Current Situation	110		Personal)	186
Opportunities and Best Practice	113			
The Role of Government, Business and People	115	PART IV	MANAGING A PLAN FOR THE PLANET	189
			Best Practice Global Management	189
Executive Brief No. 8: Universal Education	119		· ·	
The Current Situation	120	16	Ten Global Management Best Practices	191
Opportunities and Best Practice	123		1. Effective Business Planning	191
The Role of Government, Business and People	123		2. A Customer-Driven Organisation	193
REPRESENTED HER PRODUCTION OF THE PRODUCTION OF			3. Sensitivity to the Outside Environment	195
Executive Brief No. 9: Conflict and Peace	127		4. Thinking Global/Acting Local – Global Partnerships	
The Current Situation	128		and Teaming	196
Opportunities and Best Practice	133		5. Understanding Competition	198
The Role of Government, Business and People	134		6. Focus Using the 80:20 Rule	200
			7. Productivity and Continuous Improvement	200
Executive Brief No. 10: Financing a Sustainable World	139		8. Mastery of Information Technology	201
The Current Situation	140		9. Shared Values	205
Solutions and Best Practice	140		10. Effective Change Management	207
The Role of Government, Business and People	143	1985		
How Much Will it Cost to Address These Strategies?	145	17	Global Management Best Practices: Applications	
Putting the Finances of Sustainability in Perspective	147		to Managing a Plan for the Planet	211
			Application of Global Management Best Practices to Public	
Executive Brief No. 11: The Challenge			Sector Management	211
of Interconnectivity - The Perfect Storm			Achieving Best Practice	212
or the Perfect Opportunity?	149		Application of the Best Practice Global Management to	
The Problem of Interconnectivity	149		International Organisations	213
The Perfect Storm?	153			

Global Management Best Practices: A Health Check	215	1 405 (1)	Hinduism	288
Application of the Ten Best Practice Global Management		DESCRIPTION OF THE PARTY OF THE	Islam	288
Principles	216		The Practical Power To Influence Opinion	289
Building a Sustainable World – An Effective Manager's Health			Working Together	289
Check	216		Working logether	
A. Organisation Structure and Roles	217		D. Harring Our Blan for the Planet	291
B. Organisation Dynamics	219	25	Delivering Our Plan for the Planet	271
C. Management Information	221			301
D. Managing Change	223	Epilogue		305
E. Managing Innovation	224	Appendix 1: Mil	llennium Development Goals	
	224	Appendix 2: Use	eful Websites	309
F. Managing Motivation: Leadership Responsibility and	226	Bibliography		311
Effective Teaming	220	Index		315
DELIVERING A PLAN FOR THE PLANET	229			
		The second second		
Leveraging the Triangle of Change	231	Egan Line		
Leveraging International Organisations and Government	222			
Achieving Best Practice Global Management in International	233			
	225			
Organisations	235			
Opportunities for Increasing Management Effectiveness	242			
National Government	244			
Leveraging the Business Contribution	247			
Opportunities for State Owned Enterprises	247	The state of the s		
The Business Contribution in Context	248			
Opportunities for Multinational Companies	252	100000000000000000000000000000000000000		
Social Contribution: Risks and Benefits	256			
Corporate Social Responsibility Audit	258			
The Opportunity of the New Philanthropy	264			
Opportunities Presented by the Social Challenges of Supply	201	· Committee in		
Chain Management	266			
Conflict Management: Does Business Help or Hinder?	269	Colonia St. Co.		
	270			
Corruption: A Global Challenge for Business		The second second		
Investing to Fight the Ten Global Challenges	274			
Expanding Partnerships	275			
Business in the 21st Century: Corporate Global Citizens	278	Spirit I		
Leveraging the Power of the People	281			
Building Bridges: Working Together	281	The second second		
Salaring Stages Worlding Together	1/4	100000000000000000000000000000000000000		
Embracing the New Green Revolution	285			
Embracing the Spiritual Imperative	287	202 N 20 1		
Faith Driven Power	287			
Buddhism	288			
Christianity	288			
Cinionality	200			

V

Transfer Pricing and the Arm's Length Principle in International Tax Law

Series on International Taxation



35



KLUWER LAW INTERNATIONAL

Transfer Pricing and the Arm's Length Principle in International Tax Law

Jens Wittendorff

Department of National Planning Centre for Development Informatio

LIBRALY

Acc. No: 11 667

Class No: 336. 2



Table of Contents

face and Acknowledgement					
Abbreviations					
			1		
Subject,	Definitions, Metho	lology, and Plan for the Book	3		
The Su	bject		3		
1.1.1.	Transfer Pricing				
1.1.2.	The Arm's Lengtl	n Principle	6		
1.1.3.	Scope of the Subj	ect	11		
The M					
Definit	ons and Terminolo	gy	16		
1.3.1.	General		16		
1.3.2.	Adjustments		16		
	1.3.2.1. Transfe	r Pricing Adjustment	16		
	1.3.2.2. Attribu	tion of Income Adjustment	17		
	1.3.2.3. Transa	ctional Adjustment	17		
1.3.3.		- 1987 to 1	17		
			18		
			19		
			20		
	ter 1 Subject, I The Sul 1.1.1. 1.1.2. 1.1.3. The Me Definiti 1.3.1. 1.3.2.	ter 1 Subject, Definitions, Method The Subject 1.1.1. Transfer Pricing 1.1.2. The Arm's Length 1.1.3. Scope of the Subject The Methodology and Mate Definitions and Terminology 1.3.1. General 1.3.2. Adjustments 1.3.2.1. Transfer 1.3.2.2. Attribut 1.3.2.3. Transact 1.3.4. The Arm's Length	ter 1 Subject, Definitions, Methodology, and Plan for the Book The Subject 1.1.1. Transfer Pricing 1.1.2. The Arm's Length Principle 1.1.3. Scope of the Subject The Methodology and Material Definitions and Terminology 1.3.1. General 1.3.2. Adjustments 1.3.2.1. Transfer Pricing Adjustment 1.3.2.2. Attribution of Income Adjustment 1.3.2.3. Transactional Adjustment 1.3.4. The Arm's Length Test 1.3.5. Economies of Integration		

Table of Contents		Table of Contents
Part II		2.4.3. U.S. Model Tax Convention 79
The Legal Basis for the Arm's Length Principle	21	2.4.3.1. General 79
		2.4.3.2. Article 9 80
Chapter 2		m 1 2
U.S. Tax Law	23	Chapter 3 The OFCD 83
2.1. The Sources of Law in U.S. Tax Law	23	THE OECD 92
2.1.1. General	23	5.1. Introduction to the object
2.1.2. Legislation	24	3.2. Historical Development 3.2.1. The League of Nations 84
2.1.3. Administrative Regulations	26	3.2.1. Introduction 85
2.1.3.1. General	26	3.2.1.2. Introduction 3.2.1.2. 1921–1927, 1927 Draft Model 85
2.1.3.2. Regulations	26	3.2.1.2. 1921–1921, 1927 Blat Model 87
2.1.3.3. Other Administrative Rules	28	3.2.1.3. 1720 1723, 1720 1720
2.1.4. The Court System	30	5.2.1.4. 1900 1900, 110 000101
2.2. Historical Development	31	5.2.11.5.
2.2.1. 1917–1960 Domestic Transactions	31	5.2.1.0.
2.2.2. 1960–1968 Section 482 Regulations	33	J.2.2. OLCD
2.2.3. 1966 Internationalization of the Section 482 Regulations	37	5.2.2.1. 1950-1965, 1965 Model
2.2.4. 1960–1986 Outbound Transactions	39	
2.2.5. 1986 CWI Standard	42	Eliterprises
2.2.6. 1988 White Paper	43	5.2.2.3. 1977, 1977 Model
2.2.7. 1992–1994 Section 482 Regulations	44	5.2.2.4. 1577 1575, 1575 02.00 1115
2.2.8. 1982–2005 Inbound Transactions	46	5.2.2.5. 1700 1701, 1701
2.2.9. 2000–2009 Outbound Transactions	51	J.2.2.0. 150 (1500, 0111111)
2.3. Section 482	54	5.2.2.7. 1907, 1907 GEOD TIME SEPTEMBER
2.3.1. General	54	J.2.2.6. 1772, 1772 Hodel
2.3.2. The Purpose of Section 482	54	5.2.2.7. 1772 1775, The Tubit 1 of the Ports
2.3.3. Application of Section 482	55	3.2.2.10. 1992–1997, OECD Transfer Pricing Guidelines 105
2.3.3.1. Law	55	Gardennes
2.3.3.2. Facts	56	5.2.2.11. 1777 2007
2.3.3.2.1. Information	56	5.5. Afficie y of the OECD Wooder
2.3.3.2.2. Burden of Proof	57	J.J.1. General
2.3.3.3. Subsumption	61	5.5.2. Interpretation of Article's
2.3.4 Legal Conditions of Section 482	63	J.J.Z.II. General
2.3.4.1. Taxpayers	63	J.J.Z.Z. The vielling Convention on the Zan.
2.3.4.2. Control	65	
2.3.4.3. Transactions	67	Didialalai Tilliai jiraani
2.3.4.4. Allocation norm	68	3.3.2.2.3. Supplementary Means of Interpretation 119
2.3.4.5. Causality	70	merpretation
2.3.5. Legal Consequences of Section 482	70	3.3.2.2.4. Multilingual Treaties 121 3.3.2.3 The OFCD Commentaries 122
2.3.5.1. Primary Adjustment	70	J.J.E.J. The OBCD Commentaries
2.3.5.2. Corresponding Adjustment	72	3.3.2.3.1. General 122
2.3.5.3. Secondary Adjustment	72	3.3.2.3.2. Legal Status 123
2.4. Tax Treaties	73	3.3.2.3.3. Static or Dynamic Interpretation 128
2.4.1. General	73	3.3.2.4. Domestic Legislation 131
2.4.2. Historical Development	75	3.3.2.4.1. General 131

vii

vi

LUUIC	OI	Contents

787 - 1 - 2 -	and the same	P 1000	4
Table	OT	-on	tents

			Autonomous or Domestic Law Interpretation	132			3.3.6.3.	Objective 3.3.6.3.1.	General	222 222
		3.3.2.4.3.						3.3.6.3.2.	Unilateral and Bilateral	
			State or of the State Applying						Transactions	226
		3.3.2.4.4.	the Treaty	137				3.3.6.3.3.	Formal Requirements	227
		3.3.2.4.5		141				3.3.6.3.4.	Acts and Omissions	230
	3.3.2.5.		Static or Dynamic Interpretation	141				3.3.6.3.5.		233
3.3.3.		pose of Artic	Court Decisions	143			3.3.6.4.	Conditions		235
3.3.3.	3.3.3.1.		cie 9	145			3.3.6.5.	Allocation		236
	3.3.3.2.		Double Taxation	146			3.3.6.6.	Income Re	eduction	237
	3.3.3.3.		Pricing Adjustments	148		555	3.3.6.7.	Causality		239
	3.3.3.4.			149		3.3.7.			of Article 9	240
	3.3.3.5.		n of Income Adjustments	151			3.3.7.1.	Primary A		240
	3.3.3.3.	3.3.3.5.1.	onal Adjustments General	151			3.3.7.2.		ding Adjustment	241
		3.3.3.5.2.		152		2000	3.3.7.3.		Adjustment	244
		3.3.3.5.3.		161	3.4.	The O	ECD Transf	fer Pricing C	Juidelines	246
				166						
3.3.4.	Dalation	3.3.3.5.4.		169		oter 4				
5.5.4.	of the O	ECD Model	Article 9 and other Articles				ational Lav	V		249
		General		177	4.1.		Nations			250
	3.3.4.2.		and Article 21	177	4.2.		ean Union			252
		Article 10	(6) and Article 12(4)	183		4.2.1.	Primary I			253
3.3.5.	Dolotion	Afficie II	(b) and Article 12(4)	184			4.2.1.1.	General	v= v	253
3.3.3.	Tax Law	siiip betweer	Article 9(1) and Domestic				4.2.1.2.		tal Freedoms	253
			1- 0/1) B 1 1 B: 1	190				4.2.1.2.1.	General	253
	3.3.3.1.	to Torran	cle 9(1) Broaden the Right					4.2.1.2.2.	Primary Adjustment	257
	3.3.5.2.		der Domestic Law?	190				4.2.1.2.3.	Corresponding Adjustment	272
	3.3.3.2.	Does Artic	cle 9(1) Restrict the Right					4.2.1.2.4.	Secondary Adjustment	275
			der Domestic Law?	193			4.2.1.3.	State Aid		275
		3.3.5.2.1.	General	193		4.2.2.		y Legislation		276
		3.3.5.2.2.	Allocation Norm	195	132	4.2.3.		nsfer Pricing	g Forum	282
226	I1 C	3.3.5.2.3.	Personal Scope	199	4.3.		Trade Orga	anization		284
3.3.6.		onditions of		203		4.3.1.	General			284
	3.3.6.1.	Subjective		203		4.3.2.		ength Princip	ple	284
		3.3.6.1.1.		203	4.4.		nary Interna	ational Law		287
		3.3.6.1.2.	Enterprise	203		4.4.1.	General			287
	2262	3.3.6.1.3.	Resident	205		4.4.2.	Arm's Le	ength Princip	ple	288
	3.3.6.2.	Control		213						
		3.3.6.2.1.	General	213	Part	III				
		3.3.6.2.2.	Autonomous or Domestic Law		The	Concept	of the Arm	i's Length I	Principle	291
		2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Interpretation	213					5 ***	
		3.3.6.2.3.	Control Requirement	215	Chap	oter 5				
		3.3.6.2.4.	Concept of Control	216	Intro	duction				293
		3.3.6.2.5.	Direct/Indirect and							
			Vertical/Horizontal Relations	221						

viii

Table of Contents			Table o	of Content
Chapter 6				
U.S. Tax Law	295	Chapter 11		36
6.1. General	295	Set-Off		360
6.2. Controlled Transaction		11.1. U.S. Tax Law		36
6.3. Reference Transaction	297	11.2. The OECD Guidelines		50
6.4. Valuation	298			
U.T. Valuation	302	Chapter 12		27
Chapter 7		Multiple Year Analyses		375
Discourse: German Tax Law		12.1. U.S. Tax Law		375
	303	12.1.1. General		375
	303	12.1.2. Losses		37
	307	12.1.3. Dynamic or Static A	rm's Length Tests	378
7.3. Reference Transactions	307	12.1.4. Prospective or Retro	spective Arm's Length Tests	379
7.4. Valuation	311	12.2. The OECD Guidelines		379
		12.2.1. General		379
Chapter 8	33777	12.2.2. Losses		382
Article 9(1) of the OECD Model	313	12.2.3. Dynamic or Static A	arm's Length Tests	384
8.1. General	313	12.2.4. Prospective or Retro		388
8.2. Controlled Transactions	313	202		
8.3. Reference Transactions	314	Chapter 13		
8.4. Valuation	316	The Comparability Requirement		393
	310	13.1. The Comparability Standard		393
Part IV		13.1.1. U.S. Tax Law		393
General Arm's Length Rules	319	13.1.2. The OECD Guidelin	100	390
	319	TOTAL THE CHICA CHICAL		39
Chapter 9		13.2. Internal and External Referen	ice Transactions	39
Recognition of Controlled Transactions	221	13.3. Comparability Factors		39
9.1. U.S. Tax Law	321	13.3.1. The Property or Serv		
9.1.1. General	321	13.3.2. The Functional Anal	lysis	399
9.1.2. Economies of Integration	321	13.3.3. The Functions		400
9.1.2. Realistic Alternatives	326	13.3.4. Risks		40.
9.1.3. Realistic Alternatives 9.2. The OECD Guidelines	329	13.3.4.1. General		403
out of out of the	332	13.3.4.2. Risk Allo	cation	40
9.2.1. General	332	13.3.4.2.1	. U.S. Tax Law	40
9.2.2. Economies of Integration	334		. The OECD Guidelines	41
9.2.3. Realistic Alternatives	341	13.3.5. Assets		41
	A.B. Committee	13.3.6. Contractual Terms		41
Chapter 10	72	13.3.6.1. General		418
Aggregated and Separate Arm's Length Tests	343	13.3.6.2. Recognition	on of Contractual Terms	419
 Aggregated Arm's Length Tests 	343		. U.S. Tax Law	419
10.1.1. U.S. Tax Law	343		. The OECD Guidelines	42
10.1.2. The OECD Guidelines	348	13,3,6,3, Volume	The one outdomes	42
10.1.3. Discourse: German Tax Law	354	13.3.6.4. Long-term	n Contracts	42
10.2. Separate Arm's Length Tests	357	13.3.7. Economic Circumsta		428
10.2.1. U.S. Tax Law	357	13.3.7.1. General	uicos	428
10.2.2. The OECD Guidelines	360	13.3.7.1. General	ic Market Differences	42
	500	13.3.7.3. Location		434
		13.3.7.3. LOCATION		-4.3

X

1 anie of Contents				Table of C	ontents
13.3.7.4. Mai	ket Form	420		Table by C	onienio
13.3.7.5. Bar	gaining Position	438 440	16.3.	Payment Form	509
13.3.8. Business Strate	egies	442	286	16.3.1. U.S. Tax Law	509
13.4. Irregular Transactions	5.63	446		16.3.1.1. Direct/Indirect Payment	509
		440		16.3.1.2. Contingent Payment	512
Chapter 14				16.3.2. The OECD Guidelines	514
Legislative Restrictions		449		16.3.2.1. Direct/Indirect Payment	514
14.1. U.S. Tax Law		449		16.3.2.2. Contingent Payment	521
14.2. The OECD Guidelines		454	16.4.	Valuation	521
		434		16.4.1. U.S. Tax Law	521
Chapter 15				16.4.1.1. General	521
Arm's Length Range		459		16.4.1.2. Arm's Length Price or Cost-Only Price	524
15.1. U.S. Tax Law		459		16.4.2. The OECD Guidelines	527
15.2. Discourse: German Tax	Law	462		16.4.2.1. General	527
15.3. The OECD Guidelines				16.4.2.2. Arm's Length Price or Cost-Only Price	529
		472		The Control of Control of Control of The Control of Con	
Part V			Chap	ter 17	
The Special Arm's Length Ru	les	477.5		Sharing	537
		475		General	537
Chapter 16			17.2.	The Relationship between the General Arm's Length	
Services		477		Rules and the Cost Sharing Rules	540
16.1. General				17.2.1. U.S. Tax Law	540
16.2. The Definition of Service	res	477		17.2.2. The OECD Guidelines	541
16.2.1. General		478	17.3.	The Definition of Cost Sharing	542
16.2.1.1. U.S.	Tax Law	478 478		17.3.1. U.S. Tax Law	542
	OECD Guidelines	478		17.3.2. The OECD Guidelines	545
16.2.2. The Activity Te	est	480	17.4.	The Participants	546
16.2.2.1. U.S.		480		17.4.1. U.S. Tax Law	546
16.2.2.2. The	OECD Guidelines	480		17.4.2. The OECD Guidelines	547
16.2.3. The Benefit Tes	et Cuidelines	481	17.5.	Cost Contributions	548
16.2.3.1. Gene				17.5.1. U.S. Tax Law	548
	3.1.1. U.S. Tax Law	485 485		17.5.1.1. General	548
16.2	3.1.2. The OECD Guidelines	487		17.5.1.2. Costs	548
16.2.3.2. Share	cholder Activities	488		17.5.1.3. Methodology	551
16.2.3	3.2.1. U.S. Tax Law			17.5.2. The OECD Guidelines	552
16.2.3	3.2.2. The OECD Guidelines	488 495		17.5.2.1. General	552
16.2.3.3. Dupli	cative Activities	499		17.5.2.2. Costs	552
16.2.3	3.3.1. U.S. Tax Law	499		17.5.2.3. Methodology	554
16.2.3	3.3.2. The OECD Guidelines	500	17.6.	Buy-In Payments	555
16.2.3.4. Indire	ct Benefit	501		17.6.1. U.S. Tax Law	555
	3.4.1. U.S. Tax Law	501		17.6.1.1. General	555
	3.4.2. The OECD Guidelines	502		17.6.1.2. PCT	557
16.2.3.5. Passiv	e Association	503		17.6.1.2.1. General	557
	5.5.1. U.S. Tax Law	503		17.6.1.2.2. Platform Contributions	558
	.5.2. The OECD Guidelines	506		17.6.1.2.3. Terms of a PCT	564
		500			

xii

Table o	of Contents				Table of	^c Contents
	17.6.1.3.	Supplementary Guidance on Transfer Pricing		18.4	Joint Development of Intangibles	631
		Methods	566	020	18.4.1. General	631
		17.6.1.3.1. General	566	220	18.4.2. U.S. Tax Law	632
		17.6.1.3.2. Discount Rates	568	110	18.4.3. OECD Guidelines	641
		17.6.1.3.3. Realistic Alternatives	570	18.5	Valuation	643
		17.6.1.3.4. Investor Model	572	10.5.	18.5.1. U.S. Tax Law	644
	17.6.1.4.	Transfer Pricing Methods	576	726	18.5.1.1. Special Arm's Length Rules	644
		17.6.1.4.1. General	576	226	18.5.1.2. Transfer Pricing Methods	645
		17.6.1.4.2. Comparable Uncontrolled		100	18.5.1.2.1. Introduction	645
		Transaction Method	576	150	18.5.1.2.2. Comparable Uncontrolled	
		17.6.1.4.3. Income Method	577	25	Transaction Method	649
		17.6.1.4.4. Acquisition Price Method	582	257	18.5.1.2.3. Comparable Profits Method	651
		17.6.1.4.5. Market Capitalization Method	583	250	18.5.1.2.4. Profit Split Method	656
		17.6.1.4.6. Residual Profit Split Method	584	230	18.5.1.2.5. Unspecified Methods	658
		17.6.1.4.7. Unspecified Methods	586	739	18.5.2. Discourse: German Tax Law	662
	17.6.2. The OEC	D Guidelines	586	740	18.5.3. The OECD Guidelines	666
	Changes in Partici		586	145	18.5.3.1. Special Arm's Length Rules	666
	17.7.1. U.S. Tax		586	JAIL.	18.5.3.2. Transfer Pricing Methods	667
	17.7.2. The OEC	D Guidelines	587	744	18.5.3.2.1. Specified Methods	667
	Adjustments		587	3176	18.5.3.2.2. Unspecified Methods	670
1	17.8.1. U.S. Tax		587		Periodic Adjustment	674
	17.8.1.1.	Transfer Pricing Adjustments	587	BAV	18.6.1. General	674
	17.8.1.2.	Transactional Adjustments	589	Obs	18.6.2. U.S. Tax Law	675
	17.8.1.3.	Periodic Adjustments	589	01.0	18.6.3. Discourse: German Tax Law	684
1	17.8.2. The OECI		591	187	18.6.4. The OECD Guidelines	689
	17.8.2.1.	Transfer Pricing Adjustments	591	275		
	17.8.2.2.	Transactional Adjustments	591	Part	VI	
				Tran	sfer Pricing Methods	695
Chapte				827		
Intangil			593	Chap	ter 19	
18.1. (593	Gene	ral	697
18.2. 1	Definition of Intan	gibles	596	19.1.	Introduction to the Transfer Pricing Methods	697
	8.2.1. General		596	19.2.	Transfer Pricing Methods in Existing Law	701
1	8.2.2. U.S. Tax I		596		19.2.1. U.S. Tax Law	701
	18.2.2.1.		596		19.2.2. The OECD Guidelines	701
	18.2.2.2.	Application of the Definition	601	19.3.	Selection of Transfer Pricing Method	701
1	8.2.3. Discourse:	German Tax Law	610		19.3.1. U.S. Tax Law	702
1	8.2.4. The OECI		615		19.3.2. The OECD Guidelines	708
	18.2.4.1.		615			
102 0	18.2.4.2.	Application of the Definition	619		ter 20	
18.3.	Ownership of Intan	gibles	624	Tran	sfer Pricing Methods	713
	8.3.1. General		624	20.1.	Comparable Uncontrolled Price Method	713
1	8.3.2. U.S. Tax I	Law	625		20.1.1. Introduction	713
1	8.3.3. The OECD	Guidelines	629		20.1.2. Comparability	714
					20.1.3. Adjustments	715

XV

xiv

Table of Contents		Table of	Conten
20.1.4. Information 20.2. Resale Price Method 20.2.1. Introduction	716 720 720	21.2.1.4. The Special Arm's Length Rules 21.2.1.5. Summary 21.2.2. Problems <i>de lege lata</i>	77 77 77
20.2.2. Comparability 20.2.3. Adjustments 20.2.4. Information 20.3. Cost Plus Method	721 725 726	21.2.2.1. Legally Oriented Problems 21.2.2.2. Economically Oriented Problems 21.2.2.2.1. Economies of Integration	77 78 78
20.3.1. Introduction 20.3.2. Comparability 20.3.3. Adjustments	726 726 727	21.2.2.2.2. Empirical Data 21.2.2.2.3. Quality of Functions 21.2.2.2.4. The Relativity of Arm's	78 78
20.3.4. Information 20.4. CPM/TNMM 20.4.1. Introduction	734 735 735 735	Length Prices 21.2.2.2.5. Information Asymmetry 21.2.2.2.6. Tax Planning	78 78 78
20.4.2. Tested Party20.4.3. Net Profits20.4.4. Profit Level Indicators	739 739 740	21.2.3. De lege ferenda 21.2.3.1. General 21.2.3.2. Legally Oriented Problems 21.2.3.3. Economically Oriented Problems	78 78 79 79
20.4.4.1. Return on Operating Assets 20.4.4.2. Operating Margin 20.4.4.3. Berry Ratio	741 744 745	Bibliography	79
20.4.4.4. Net Profit Mark-Up 20.4.5. Comparability 20.4.6. Adjustments	746 747 748	Table of Cases Table of Official Reports	83°
20.4.6.1. Accounting Adjustments 20.4.6.2. Asset Intensity 20.4.7. Information 20.5. Profit Split Method	749 749 751	Table of Statutes	86
20.5.1. Introduction 20.5.2. Combined Net Profits 20.5.3. Allocation Methods	753 753 756	Index	87.
20.5.3.1. General 20.5.3.2. Residual Profit Split 20.5.3.3. Contribution Method	758 758 759		
20.5.3.4. Comparable Profit Split Part VII	763 765		
Conclusion	767		
Chapter 21 Summary and Discussion	769		
21.1. The Legal Basis for the Arm's Length Principle 21.2. The Content of the Arm's Length Principle 21.2.1. De lege lata 21.2.1.1. Controlled Transactions 21.2.1.2. Reference Transactions	769 771 771 772 773		
21.2.1.3. Valuation	775		

xvi