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UK transfer pricing adjustments — is the underlying rule being followed?

As transfer pricing controversy increases, taxpayers should consider looking to the legislation underpinning tax administrations' challenges.

In a recent [article](#), [Paula Ruffell](#), Senior Manager, Ernst & Young LLP, and [Joel Cooper](#), EY Global International Tax and Transaction Services Controversy Leader, explore Section 147 of the Taxation (International and Other Provisions) Act (TIOPA) 2010, the UK transfer pricing rule. They review when and how the UK tax authority, HM Revenue & Customs (HMRC), can make transfer pricing adjustments. Specifically, the authors examine whether the basic precondition point of Section 147 (that the taxpayer's self-assessment differs from an arm's length provision) is consistently being satisfied before HMRC makes a transfer pricing determination.

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