HMRC - OT21115 - General Overview

Part 4 - Transfer Pricing TIOPA10 (formerly ICTA88\Sch28AA)

General guidance on the Transfer Pricing rules can be found in the International Manual (INTM). The following paragraphs explain how the normal rules are specifically modified for oil companies, and the impact of these modified rules on cross ring fence transactions.

For detail on the application of Transfer Pricing rules to ring fence interest and financing, see OT22000.

TIOPA10\S147(7) - transactions and deemed transactions involving oil

The transfer pricing rules within TIOPA10 Part 4 do not apply to transactions and deemed transactions involving oil where the price or consideration is determined under CTA10\S280 and sequence (formerly ICTA88\S493 see OT21027).

TIOPA10\S147(1) & S217 - Special rules for sales of oil

This applies Transfer Pricing rules to sales of oil produced by a company in which the buyer and its associates have an interest of 20% or more. For UK oil production this has limited effect as the PRT value is used for non-arm’s length sales under CTA10\S280 + and the TIOPA10\S147(7) override will applies.

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