

SYLLABUS

2026

ADIT



INTRODUCTION

In order to achieve this qualification, candidates will need to possess a broad knowledge right across the spectrum of international taxation, preferably informed by experience.

This document contains the detailed syllabus for each available module, together with recommended reading lists. Permitted texts for each exam are indicated in the recommended reading lists, and can be found on our website at www.tax.org.uk/adit/permitted-books.

Questions **will not** be set which require knowledge of any law or regulation, or any Statutory Instrument, EU Directive or similar legal provision announced less than six months before the date of an exam, or on any tax or legal court case reported less than six months before the exam date. Nonetheless, all ADIT exam candidates are expected to maintain a general understanding of recent, significant legislative changes relevant to their exam subjects.

Each syllabus contains a list of topics included, together with an indication of the level of knowledge that a candidate may be required to demonstrate.

SYLLABUS GUIDE

Each syllabus includes guides which are intended to give candidates broad guidance on the approximate proportion of marks available for the major areas within the syllabus for each module.

The levels specified are:

Level 1

Candidates will be expected to have a broad understanding and awareness of the topic, but will not be required to provide answers in detail on these topics.

Level 2

Candidates will be expected to have a detailed knowledge of the topic and be able to apply this knowledge in both written and computational situations (where appropriate), showing an understanding of the issues involved.

Level 3

Candidates may be required to demonstrate an advanced knowledge, involving interpretive exposition and analysis, with the ability to comment upon problems arising and to suggest possible solutions in novel situations.

Candidates are expected to have an awareness of current accounting issues relevant to tax.

MODULE 3.03 - TRANSFER PRICING OPTION

I	Fundamental sources	15%
II	The arm's length principle (ALP)	5%
III	Functional analysis	10%
IV	Transfer pricing methods	10%
V	Comparability	10%
VI	Specific transactions	15%
VII	Permanent establishments	10%
VIII	Compliance issues	5%
IX	Avoiding double taxation and dispute resolution	10%
X	Other issues	10%

I Fundamental sources

A	Tax treaties, based on the OECD Model Tax Convention (OECD MTC) and UN Model Double Taxation Convention (UN MDTC), specifically Article 9 and “special relationship” in Articles 10-12	3
B	OECD Transfer Pricing Guidelines	3
C	OECD BEPS 2015 Final Reports (Actions 8-10): Aligning transfer pricing outcomes with value creation	2
D	UN Practical Manual on Transfer Pricing for Developing Countries 2021	2
E	Transfer pricing litigation cases (refer to the reading list)	3
F	EUJTPF Codes of Conduct guidelines and reports	2

II The arm's length principle (ALP)

A	Interpretation of the arm's length principle and current dialogue	3
B	Associated enterprises	3
C	Global Formulary Apportionment	1
D	Recognition of the actual transactions undertaken	2
E	Losses and the effect of government policy	2
F	OECD BEPS Pillar One Amount B	2

III Functional analysis

A	The goal of functional analysis	1
B	Analysis of functions, assets and risks (FAR)	3
C	Relating functional analysis to selection of transfer pricing method	3
D	Entity characterisation (e.g. characterisation as “entrepreneur”, stripped risk manufacturer, commissionaire, etc.)	2
E	The practical approach to undertaking functional analysis	3

IV Transfer pricing methods

A	Description of methods	2
B	Selection and application of the method(s) (including by reference to FAR analysis, entity characterisation and availability of comparables); the party to be tested	3

V Comparability

A The significance of comparability and factors determining comparability	3
B Performing a comparability analysis	3
C Dealing with the lack of comparable data	2
D Sources of information: internal/external comparables; “secret comparables”, foreign comparables	2
E Timing and compliance issues in comparability	2

VI Specific transactions

A Intra-group services	
1. Different types of intra-group services	3
2. Transfer pricing methods	3
3. Direct/indirect charging and allocation keys	3
4. International guidelines on reviewing services	2
B Intra-group financial transactions	
1. Intragroup loans, credit guarantee fees, factoring or receivables, cash pooling, and other forms of financing and credit risk transfer arrangements	3
2. Loan pricing including creditworthiness, interest rates and credit margins	2
3. Thin capitalisation rules and the nexus with transfer pricing	3
4. Debt pricing and/or debt amounts that result in ongoing losses or low levels of profitability	2
C Intangible property	
1. The life cycle of intangibles (development, exploitation, exit strategy)	1
2. Different types of intangibles	2
3. Models to structure the development of intangibles (e.g. contract research and development vs. cost contribution/cost sharing arrangements)	3
4. Models for exploiting intangibles: for example principal structure vs. licensing out	3
5. Valuation of intangible assets	3
6. Current developments on transfer pricing aspects of intangibles	2
D Business restructurings	
1. The nature of business restructuring	1
2. Guidance on transfer pricing aspects of business restructurings including Chapter IX of the OECD TPG)	3
E Cost contribution arrangements (CCAs)	
1. Concept of a CCA including entry, withdrawal or termination	3
2. Applying the ALP in a CCA	3
3. Tax consequences if a CCA is not arm's length	1
4. Structuring and documenting a CCA	2

VII Permanent establishments

A Article 5: Permanent establishments (OECD MTC and UN MDTC)	2
B Article 7: Business profits (OECD MTC and UN MDTC)	2
C Understanding the importance of PEs when dealing with transfer pricing	3

VIII Compliance issues

A Documentation	3
1. OECD BEPS 2015 Final Reports (Action 13)	3
2. Country by country reporting, master and local file documentation formats	3
B Examination practices, burden of proof and penalties	2
C Risk assessment and risk management	3
D Audits	1

IX Avoiding double taxation and dispute resolution

A Adjustments	3
B Mutual agreement procedure, including OECD BEPS 2015 Final Reports (Action 14)	3
C Arbitration: Article 25(5)	2
D EU Arbitration Convention	1
E Advance pricing agreements (APAs)	3

X Other issues

A OECD/G20 Base Erosion and Profit Shifting (BEPS) Project	3
B Interaction between customs valuation and transfer pricing	2
C Safe harbours and tax incentives	2
D E-commerce and transfer pricing	2
E Worldwide recent developments in transfer pricing, including the implications of BEPS reforms	2

RECOMMENDED READING LIST

Permitted Texts

Candidates may take a copy of the following texts only into the examination:

OECD. *Base Erosion and Profit Shifting Project: 2015 Final Reports. Executive Summaries* (Paris: OECD, 2015)
Available from the OECD:
<https://web-archive.oecd.org/2019-06-27/373991-beps-reports-2015-executive-summaries.pdf>

OECD. *Model Tax Convention on Income and on Capital* (Paris: OECD, 2017) [ISBN: 9789264287945] and accompanying *Commentary: Article 5, Article 7, Article 9, and “special relationship” in Articles 10-12*
Available from the OECD: www.oecd-ilibrary.org

OECD. *OECD/G20 Base Erosion and Profit Shifting Project: 2015 Final Reports. Actions 8-10* (Paris: OECD, 2015) [ISBN: 9789264241237]
Available from the OECD: www.oecd-ilibrary.org

OECD. *OECD/G20 Base Erosion and Profit Shifting Project: 2015 Final Reports. Action 13* (Paris: OECD, 2015) [ISBN: 9789264241466]
Available from the OECD: www.oecd-ilibrary.org

OECD. *OECD/G20 Base Erosion and Profit Shifting Project: Consolidated Report on Amount B. Inclusive Framework on BEPS* (Paris: OECD, 2025)
Available from the OECD: www.oecd-ilibrary.org

OECD. *OECD/G20 Base Erosion and Profit Shifting Project: Pillar One - Amount B. Inclusive Framework on BEPS* (Paris: OECD, 2024)
Available from the OECD: www.oecd-ilibrary.org

OECD. *Report on the Attribution of Profits to Permanent Establishments* (Paris: OECD, 2010)
Available from the OECD:
<https://web-archive.oecd.org/2012-06-14/104309-45689524.pdf>

OECD. *Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* (Paris: OECD, 2022) [ISBN: 9789264526914]
Available from the OECD: www.oecd-ilibrary.org

United Nations. *UN Model Double Taxation Convention between Developed and Developing Countries 2021* (New York: UN, 2021) [ISBN: 9789212591841]
Available from the United Nations: www.un.org

United Nations. *UN Practical Manual on Transfer Pricing for Developing Countries 2021* (New York: UN, 2021) [ISBN: 9789212591858]
Available from the United Nations: www.un.org

Van Raad, K. *Materials on International, TP and EU Tax Law 2020-2021. Volume A* (Leiden: International Tax Centre, 2020) [ISBN: 9789082585452]
Available from the Leiden International Tax Centre: www.itc-leiden.nl or b.bosman@itc-leiden.nl
Or available from Wildy & Sons: www.wildy.com

No other texts may be taken into the examination.

Additional Reading

Andrus, J.L. and Collier, R. *Transfer Pricing and the Arm's Length Principle After BEPS* (Oxford University Press, 2017) [ISBN: 9780198802914]
Available from Oxford University Press: global.oup.com

Donegan, R. and Henshall, J. *Global Transfer Pricing: Principles and Practice* (Bloomsbury Professional, 6th edition, 2026) [ISBN: 9781526535108]
Available from Bloomsbury Professional:
www.bloomsburyprofessional.com

EY. *EY Worldwide Transfer Pricing Reference Guide 2025* (EY, 2025)
Available from EY:
www.ey.com/en_gl/technical/tax-guides/worldwide-transfer-pricing-reference-guide

Konrad, K. A. and Schön, W. *Fundamentals of International Transfer Pricing in Law and Economics* (Springer, 2nd edition, 2014) [ISBN: 9783642434280]
Available from Blackwells:
[https://blackwells.co.uk/bookshop](http://blackwells.co.uk/bookshop)

Lang, M. et al. *Fundamentals of Transfer Pricing: A Practical Guide* (Wolters Kluwer, 2nd edition, 2019) [ISBN: 9789041189943]

Available from Wolters Kluwer:

<https://law-store.wolterskluwer.com>

Monsenego, J. *Introduction to Transfer Pricing* (Wolters Kluwer, 2nd edition, 2022) [ISBN: 9789403514833]

Available from Wolters Kluwer:

<https://law-store.wolterskluwer.com>

Van Raad, K. *Materials on International, TP and EU Tax Law 2020-2021. Volume B* (Leiden: International Tax Centre, 2020)

Available from the Leiden International Tax Centre:

www.itc-leiden.nl or b.bosman@itc-leiden.nl

Or available from Wildy & Sons: www.wildy.com

The following texts may also be considered useful for candidates in understanding the post-BEPS environment. However, familiarity with these texts is not required to sit and pass the exam:

Lang, M. and Petrucci, R. *Transfer Pricing Case Law Around the World 2025* (Wolters Kluwer, 2025) [ISBN: 9789403513294]

Available from Wolters Kluwer:

<https://law-store.wolterskluwer.com>

Lang, M. and Petrucci, R. *Transfer Pricing Developments Around the World 2025* (Wolters Kluwer, 2025) [ISBN: 9789403523996]

Available from Wolters Kluwer:

<https://law-store.wolterskluwer.com>

Lang, M., Petrucci, R. and Storck, A. *Transfer Pricing in a Post-BEPS World* (Wolters Kluwer, 2016) [ISBN: 9789041167101]

Available from Wolters Kluwer:

<https://law-store.wolterskluwer.com>

Lolliri, F. *Transfer Pricing Risks Post-BEPS: a Practical Guide* (LexisNexis, 2017) [ISBN: 9780754554639]

Available from LexisNexis: <https://store.lexisnexis.co.uk>

(Discount available for registered ADIT students)

OECD. *Additional Guidance on the Attribution of Profits to a Permanent Establishment* (Paris: OECD, 2018)

Available from the OECD: www.oecd-ilibrary.org

OECD. *Guidance on the Implementation of Country-by-Country Reporting* (Paris: OECD, 2018)

Available from the OECD: www.oecd-ilibrary.org

OECD. *Guidance on the Appropriate Use of Information Contained in CbC Reports* (Paris: OECD, 2018)

Available from the OECD: www.oecd-ilibrary.org

Case Law

The following court decisions are of interest:

- Apple Sales International and Apple Operations Europe v Commission [T-892/16] and Ireland v Commission [T-778/16]
- Cameco Corporation [2020 FCA 112]
- Chevron Australia Holdings Pty Ltd [2017 FCAFC 62]
- DSG [2009 UKFTT 31 (TC)]
- GE Capital [2010 FCA 344]
- GSK Canada [2010 FCA 201]
- Glencore [2020 FCAFC 187]
- LG Electronics India Pvt Ltd v ACIT [2013 29 taxmann.com 300]
- Roche Products Property [2008 AATA 261]
- SNF (Australia) Pty Ltd [Single Federal Court Decision, 2010 FCA 635]
- SNF (Australia) Pty Ltd [Full Federal Court Decision, 2011 FCAFC 74]
- Unilever Kenya [Income Tax Appeal 753 of 2003]

Online Resources

EU Joint Transfer Pricing Forum:

https://ec.europa.eu/taxation_customs/business/company-tax/transfer-pricing-eu-context/joint-transfer-pricing-forum_en

Candidates should read the following sections:

1. Background, achievements
2. Code of conduct on transfer pricing documentation for associated enterprises in the EU
3. Guidelines for advance pricing agreements (APAs) in the EU
4. Guidelines on low-value-adding intra-group services
5. Potential approaches to non-EU triangular cases

6. Report on small and medium enterprises (SMEs) and transfer pricing
7. Report on cost contribution arrangements on services not creating intangible property
8. Report on secondary adjustments
9. Report on transfer pricing risk management
10. Report on compensating adjustments
11. Report on the application of the profit split method within the EU

OECD BEPS page:

www.oecd.org/ctp/beps.htm

OECD Transfer Pricing page:

www.oecd.org/ctp/tp

Candidates should read documents relevant to the syllabus within the “What’s New” and “Transfer Pricing Projects” sections.

Pacific Association of Tax Administrators (PATA) Transfer Pricing Documentation Package:

www.ustransferpricing.com/PATA_transferpricingpackage.pdf

United Nations: www.un.org/esa/ffd

Candidates should read documents relevant to the syllabus within the “Transfer Pricing” and “BEPS” thematic areas.
