



**COUNCIL OF
THE EUROPEAN UNION**

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"I/A" ITEM NOTE

from: General Secretariat
to: COREPER/Council
Subject: Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on the work of the EU Joint Transfer Pricing Forum in the period April 2009 to June 2010 and related proposals
1. Guidelines on low value adding intra-group services and
2. Potential approaches to non-EU triangular cases
- Draft Council conclusions

1. On 25 January 2011 the Commission submitted to the Council a Communication on the work of the EU Joint Transfer Pricing Forum in the period April 2009 to June 2010 and related proposals (doc. 5845/11 FISC 8).
2. At its meeting on 23 February 2011, the Working Party on Tax Questions - Direct Taxation examined the Communication and agreed to the draft Council conclusions as set out in Annex. The UK delegation entered a parliamentary scrutiny reservation. Since then this reservation has been lifted.
3. The Permanent Representatives Committee could suggest that the Council adopt the abovementioned draft Council conclusions as an "A" item on the agenda of one of its forthcoming meetings.

**DRAFT COUNCIL CONCLUSIONS
ON THE COMMUNICATION FROM THE COMMISSION ON THE WORK OF THE EU
JOINT TRANSFER PRICING FORUM IN THE PERIOD APRIL 2009 TO JUNE 2010
AND RELATED PROPOSALS:**

- 1. Guidelines on low value adding intra-group services and**
- 2. Potential approaches to non-EU triangular cases**

The Council welcomes the Communication from the Commission of 25 January 2011 on the work undertaken by the EU Joint Transfer Pricing Forum (JTPF) between April 2009 and June 2010 and related proposals: 1. Guidelines on low value adding intra-group services and 2. Potential approaches to non-EU triangular cases (doc. 5845/11 FISC 8).

The Council endorses the Guidelines on low value adding intra group services and considers that their implementation should contribute to reducing tax disputes within the EU and to improving the functioning of the internal market.

The Council recognises the importance of identifying potential approaches to non-EU triangular cases and welcomes the report on non-EU triangular cases.

The Council also welcomes the Commission Decision of 25 January 2011 setting up the EU Joint Transfer Pricing Forum expert group, which renews the mandate of the JTPF for an additional term of four years, and invites the Commission to regularly inform the Council of the Forum's outcomes.