

### More on India, transfer pricing, developing countries a...

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For those wanting more information on India's challenge to the OECD on international taxation issues might I recommend [this article in the UK based Tax Journal?](#)

I am pleased to note that Tax Justice Network's US based transfer pricing expert, David Spencer is quoted, saying:

*The members of the UN tax committee from China and Brazil 'generally supported' the Indian government's position on this issue, said David Spencer, Senior Adviser to the Tax Justice Network.*

*The TJN has called for an 'objective analysis' of transfer pricing issues in the context of developing countries, arguing that 'the OECD's theory of the arm's-length principle no longer applies to multinational enterprises which are highly integrated' and that 'comparables in many if not most cases cannot be found'.*

*The group said a draft Transfer Pricing Manual being prepared by a subcommittee of the UN tax committee referred to an 'information deficiency problem'.*

*This was, the TJN said, 'the problem faced by developing countries in getting sufficient information, including comparables, about the activities of multinational corporations'.*

*The TJN reiterated its support for country-by-country reporting, 'whether countries adopt the OECD's Transfer Pricing Guidelines, or a modified arm's-length principle, formulary apportionment, or a mixed system'.*

I wholeheartedly agree with David. I also think the response of the OECD, which has been to invite the UN to act as an observer of its work is entirely inadequate.

It has taken some time for this debate to open up. I suspect now it is there will be no stopping it: the system prejudices the BRICs states and developing countries and they're not going to put up with it for much longer.

NB: Tax Justice Network and the Finnish government are holding a conference

on this issue in Helsinki this June.