Funding the Future

If we're serious about helping developing countries we ...

Published: January 13, 2026, 1:11 am

China, India, Brazil, Nigeria and now South Africa at the TJN transfer pricing conference in Helsinki all have the same things to say.

First, the OECD's arms length pricing model just odes not accord to the economic reality of what they see happening on the ground.

Second, the process is so complex it takes too long and they have far too few people able to really manage any challenge to multinational companies.

Third, the OECD model assumes there is information available on what are called 'comparables' - that is trading in similar goods and services undertaken between independent third parties - and that's just not true, either because there is no such trade or even if there is there is no data on public record.

Fourth, some say the political pressure not to collect the tax can be high.

Fifth,they need reliable data on what they've lost to give them a target of what to aim for.

Sixth, the OECD model massively underallocates profit to poorer nations because it allocates reward in the supply chain to where risk is - and far too often that risk is artificially relocated to tax havens - even though the commercial substance of the management of that risk is very often in their countries, which also bears all the risk of employing people who really make the products that are actually being sold at the far end of the supply chains that they're having to challenge to collect the tax due to them.

But, more than anything this is about getting data. Which is why I am presenting on country-by-country reporting tomorrow - because only that can solve this problem.