

TRANSFER PRICING AND RECOGNITION OF RELATED PARTIES: THEORETICAL AND PRACTICAL ISSUES (INTERNATIONAL AND NATIONAL PERSPECTIVES)

Vladimir S. Belykh, Ural State Law University
Tatyana V. Stadnik, Assistant General Prosecutor of the Republic of Kazakhstan

ABSTRACT

The article considers some issues of the doctrinal and normative definition of the grounds for recognition of "related parties", as well as scholarly discussion regarding the development of a unified concept for various branches of law. Using the method of analysis and synthesis, the authors emphasize the discrepancy between the lexical meaning of the term "interdependent persons" and its definition in Russian law. They support the opinion of civil law scholars on the need to use a single definition of "related persons" both in tax law and in customs law for price control. They also propose to improve the criteria of dependence with the legally confirmed possibility to dispute them. Their analysis shows that the transfer pricing rules discord with the logic of the activity of integrated industrial complexes. Therefore, the authors state that it is necessary to define indicators of transactions between companies involved in an integrated production cycle within the national jurisdiction, with their subsequent exclusion from the sphere of tax control.

Keywords: Transfer Price, Transfer Pricing, Related (Interdependent) Persons, Controlled Transactions, Grounds and Criteria for Qualifying As Interdependent Persons

INTRODUCTION

The economic globalization and the concomitant processes of the development of foreign economic relations have contributed to the growth of foreign trade and have resulted in the revision of the classical approaches to organizing businesses.

The business integration naturally leads to the increase in the number of controversial cases related to the criteria for establishing parties' "relatedness", which has become a dilemma both for scholars and for business lawyers. Thus, a significant contribution to this field of research was made by the works of Coase, Grundel, Altukhova, Nepesov, Galimardanova, Tufetulov and other scholars.

RESEARCH MATERIALS AND METHODS

In our research, we used general scholarly analysis and synthesis, systemic approach and special methods of scientific cognition (formal, historical and comparative legal analysis).

For example, application of the systemic approach and the comparative legal method made it possible to identify inconsistencies in the terminology used by various branches of legislation for the relationship of "relatedness" between business parties and to reveal different regulatory approaches to determining the parties' "relatedness" in the countries of the Organization for Economic Cooperation and Development (hereinafter OECD), Russia

and Kazakhstan. As a result of our research, we formulated recommendations for improving the legal regulation of this area in Russia and Kazakhstan.

The theoretical basis for our study was laid by the works of scholars in the field of civil, business, financial and other branches of law.

Research Results

Challenging Issues of Recognising Related Parties

In the Russian and Kazakh legislation, there is no unified legal regulation of relatedness or interdependence between parties. For example, in civil and family law there is a concept of "affiliated persons", in customs law — "related persons", and in tax law — "interdependent persons" ("related persons" in Kazakhstan); the latter term is also used when dealing with transfer pricing.

Some scholars advocate the introduction of a unified system of legal norms governing the treatment of "related persons" in order to ensure uniformity of regulations. Others do not support this approach, arguing that each field of law should formulate its own list of grounds for defining related parties in accordance with the respective legal regulation objectives.¹

Russian scholars do not have unanimity of views on the lexical validity of using the term "interdependent persons" in relation to transfer pricing. Thus, A.A. Kopina notes that the relationship of dependence always affects both parties, which means that the term "interdependence" is correctly used in this context. Nepesov, Altukhova & Ivolzhatov are of different opinion. They emphasize that the scope of the concept of "interdependence" does not coincide with its normative content, as not all the persons mentioned in the respective legal norm depend on each other.²

In general, while sharing the opinion that it is not viable to adopt a unified interpretation of "related persons" in all spheres, we still consider it necessary to unify these concepts in tax and customs law. As noted by Sergeev (2010)³; Ikonnikova (2009)⁴, the main goal of introducing the institution of interdependent (related) persons in these fields of law is the same — to establish control over pricing. In this regard, we propose to use the term "related persons" both in tax law and in customs law, with an identical list of grounds for recognizing persons to be related.

Theoretical and Practical Aspects of Recognising Related Parties in Transfer Pricing

According to the definition of "associated enterprises" in Article 9 of the OECD Model Convention, enterprises can be considered associated⁵ under the following conditions: 1) an enterprise participates directly or indirectly in the management, control or capital of another enterprise, or some third person participates in the management of both of them; 2) one of the enterprises is located in another state; 3) there are special commercial or financial relations between the two enterprises under the conditions which differ from those which would be used between independent enterprises. According to the Convention, the content of the concepts of "associated enterprises" and "participation in management, control or capital" is determined based on the national legislation of the respective country.

The foregoing is partly the reason for various problems in the normative definition of "relatedness" between parties.

In civil law, the recognition of "related parties" for the purposes of transfer pricing is based on determining their organizational, managerial, familial or contractual interdependence.

Let us explore this concept on the example of the legislation of Russia and Kazakhstan in comparison with international experience.

According to the legislation of these countries, organizational dependence is based on the property rights in respect of the capital of the company, which are associated with the rights to manage the legal entity.⁶

The threshold value of one party's ownership of capital or shares in the management of the other party for recognising them to be related parties varies greatly in the legislation of different countries. For example, in Panama, company's ownership of only 1% of the shares of another company is sufficient for recognising them "related"; in Kazakhstan, 10% participation in capital or management is required; Australia, Germany and Russia set 25% participation threshold⁷; United Kingdom — 40% threshold⁸; and the United States — more than 50% ownership of another party.

At the same time, there are some disputable issues with respect to determining the value of the participation share. Thus, E.V. Altukhova (2008) notes that the share of participation expressed as a percentage does not provide for an objective assessment of the existence of a relationship of dependence between the parties.⁹

This is especially relevant for foreign legal orders, especially in England and the United States, where there is a well developed and widely used structure of fiduciary relations, which are essentially based on trust. This means that the party that can influence the activities of another party is obliged to act in the interests of the latter. At the same time, the main feature of fiduciary relations is the discrepancy between their external legal form and their actual internal content. Perhaps for this reason, the United States, along with the concept of interdependent persons, use the concept of actual control with the possibility of redistributing the profits of such companies.¹⁰ In this regard, the US tax authorities have the right to investigate transactions and classify them as controlled even if one of the parties owns only 50% or less than 50% of the capital of another party.

In Russia, the list of criteria for determining the share of participation of a party in the capital of another party is open and may be interpreted broadly.¹¹

Moreover, the legislators employ the concepts of "the previous organization (person)" and "the subsequent organization" when determining the shares of indirect participation in another organization, without proper definitions for these concepts.¹²

However, the legislation of the Republic of Kazakhstan does not regulate this issue at all, which we consider a legal gap.

Another ground for recognising "related parties" is their managerial interdependence, which is based on the ability of a person to influence the activities of another person (entity) by virtue of the official position.

Paragraph 10 of Item 2 of Article 105.1 of the Russian Federation Tax Code does not specify the cases of official subordination of individuals (physical persons). Galimardanova & Tufetulov (2017) consider it a legal shortcoming¹³, as the norm actually covers any situations of administrative and managerial dependence of one person on another.

In the legislation of the Republic of Kazakhstan, such dependence is determined on the level of trustees, major participants or shareholders and company officials (clauses 6, 12–14, Article 11 of the Law "On Transfer Pricing").

The criterion of familial interdependence is self-explanatory.¹⁴

The International Financial Reporting Standards define a broad range of family relationships that can affect transfer pricing. Instead of the traditional concepts of "parents" and "spouses", they use the concept of "a cohabitant partner". However, many countries, including the United States and the United Kingdom, still use the old terms.¹⁵

English lawmakers consider the following relatives for the purposes of transfer pricing: brothers, sisters, uncles, aunts, nephews and lineal ancestors and descendants.¹⁶ They also take into account half-blood relationship and adoption.

Under the US law, the phrase "family members" is understood differently in different related-party transactions. In some cases, it refers to siblings and half-siblings, spouses, parents (ancestors) and lineal descendants. In other cases, "family members" mean spouses

(except for legally independent spouses after divorce) and children, grandchildren and parents.¹⁷

Thus, in international practice, a very wide range of kinship ties is used for recognising related persons.

In 2011, Russian Federation legislators also expanded and specified the concept of "related parties" based on kinship ties. Prior to that change, only the marriage relations between the parties to the transaction had been taken into account (Article 20 of the Tax Code). Now not only spouses are recognized to be interdependent persons, but also parents (including adoptive parents), children (including adopted children), siblings and half siblings, guardians (custodians) and wards (Paragraph 11, Item 2, Article 105.1 of the Tax Code).

In Kazakhstan, such dependence is defined by the categories of "close relatives" (parent, son, daughter, adoptive parent, adopted child, brother, sister, grandmother, grandfather, grandson) and "in-laws" (brother, sister, parent, son or daughter of a spouse). In the legislation of the Republic of Kazakhstan, such relationship is recognized between individuals if one of them is a major participant, shareholder or a company official of a transaction party (clause 11, Article 11 of the Law "On Transfer Pricing").

At the same time, some scholars consider the criteria of familial dependence to be imperfect.

As noted by Altukhova (2008), the recognition of interdependence between the guardian and the ward, as required by the Tax Code of the Russian Federation, is ineffective, as the norm does not mention spouses and close relatives of both of them. In her opinion, this new regulation is illogical in view of the fact that civil law forbids transactions between the ward and the spouse (close relatives) of the guardian (Article 37 of the Civil Code of the Russian Federation).¹⁸

In another study of affiliation issues, Egorova proposes to limit the scope of close relatives to the heirs-at-law of the first and second orders.¹⁹ She points out that this can prevent the uncontrolled expansion of the scope of the group of persons.

At the same time, Tikhonov (2018) considers that the list of "related persons" should be limited to relatives in the narrow sense of this word, i.e. spouses, children and parents, as they have common material interests.²⁰

We believe that the described scholarly opinions should be taken into account by the legislators of the Russian Federation and the Republic of Kazakhstan when determining the scope of close relatives and in-laws for the above-stated purposes.

It should be also mentioned that in the Russian Federation the transaction parties themselves have the right to recognize themselves as interdependent persons on the grounds that are not stipulated in any regulatory documents (Item 6, Article 105.1 of the Tax Code). This can be considered contractual interdependence.²¹

The legislation of the Republic of Kazakhstan does not give such rights to individuals and legal entities.

The above-mentioned methods of recognizing "related parties" are referred to as extrajudicial and are presumed by virtue of the law on "formal grounds".²²

Concurring with the views expressed by Altukhova, Nepesov & Ivolzhatov, we consider that the grounds for recognizing related parties for the purposes of transfer pricing that are described in the relevant legislative acts are irrefutable presumptions.²³

There is also a judicial procedure for recognising interdependent parties²⁴, which has a significant impact on transfer pricing regulations.

For example, the French courts considering transfer pricing cases have developed their own concept of recognizing "related persons" based on commercial control through granting of exclusive production and distribution rights; activities in France on behalf of a foreign company; financial dependence associated with obtained loans, etc.

In contrast to the judicial practice of Kazakhstan, Russian courts have the right to determine the level of interaction between the partners in the transaction. According to

Altukhova (2008); Grundel (2018), this entails additional costs for businesses and violates such principle of taxation as certainty.

In another study, Ebralidze (2014), considering grounds for establishing parties' affiliation, indicates that the absence of a closed list of criteria would allow identifying actually related persons.²⁵ We believe that such approach is also acceptable for identification of interdependent persons.

It is worth noting that the Constitutional Court of Russia has limited grounds for recognizing interdependent persons for the purposes of transfer pricing regulation. However, the parties to the transaction may be recognized related by a court decision in accordance with other legal acts.²⁶ In fact, the Constitutional Court confirmed the possibility of applying civil law norms to the institution of affiliated persons.

In the Republic of Kazakhstan, the parties to transactions affiliated with each other are also recognized as related parties.

Analysis of Impact of Related Parties Recognition on Transfer Prices

In the International Financial Reporting Standards, the key criteria for recognising related parties are "control" and "significant influence".²⁷ In addition, it is stipulated that, based on the substance over form principle, it is necessary to take into account the essence of the parties' relations when considering each particular case.²⁸

For example, in the United States, consideration of deals between related parties, first of all, requires determining the economic nature of each specific transaction.²⁹

The Law of the Republic of Kazakhstan "On Transfer Pricing" does not contain such concepts as "influence" and "control of one party over another", and there are no regulations on their assessment for recognizing related persons.

The term "control" is used in this legal act only for the purposes of reporting on transfer pricing.

In accordance with Russian law, influence is established through ownership of capital, a valid agreement or any other circumstances providing person with the ability to determine the decisions made by the other persons³⁰ (Item 1, Article 105.1 of the Tax Code). At the same time, the legislators deliberately limit the scope of the concept of "influence" in Item 4 of Article 105.1 of the Tax Code, excluding the impact of one person on the activities of another person due to the dominant market position of the former. They are not considered interdependent because, due to the monopoly position of one of the parties, the price of goods is formed outside the competitive environment, sometimes based on a governmental regulation.³¹

There are no such regulations in the transfer pricing legislation of Kazakhstan.

Similarly, it is proposed to exclude transactions in a group of interdependent entities within the framework of a unified production process from the sphere of regulating deals between related parties.

Many scholars (Coase, Nepesov, Kamenkov³², Ikonnikova³³ and some others) agree that the use of non-market prices between such interdependent persons is determined by the need to organize corporate activities.³⁴ They argue that the use of market prices in internal transactions of business groups including production and distribution companies would be devoid of any economic sense.

These are so-called intra-corporate transactions. They originate in the sphere of production rather than in the processes of the commodity-money circulation.³⁵

DISCUSSION

In this paper, we explore the grounds for recognising transaction parties to be "related" and the resulting impact on transfer pricing.

Our study shows that the importance of such phenomena as transfer pricing and related parties should not be underestimated in the face of the growing global economic instability, because they significantly affect the international commerce and modify the ways goods and services enter the market.

As we can see, the legal interpretations of the category of related (interdependent) persons in the legislations of the Russian Federation and the Republic of Kazakhstan are characterized by significant differences from the foreign and international versions. **First**, the legal systems of other countries define "related parties" by abstract categories, which ensures flexible administration of the law, based on the substance over form principle. **Second**, international law indicates the main condition for application of the measures related to the parties' interdependence — namely, the confirmed actual effect on the result of the transaction, i.e. the price of the sold goods.

In view of the above, we believe it necessary to continue modernizing the legal regulation of the institution of "related persons" in order to exclude the possibility of unjustified additional taxation, to protect bona fide producers, and to eliminate regulatory conflicts.

In particular, we agree with Ivolzhatov, who considers it necessary to establish a legal framework for the possibility to refute the recognition of the parties as "related" in situations where there is really no relationship of this kind between the parties³⁶. This would eliminate the unjustified legal consequences for such parties.

We believe it crucial to consider defining the criteria for production-related transactions between interdependent persons in the territory of the same state, if the object of such business transactions is not used to generate profit. We also consider it necessary to study the possibility of excluding such transactions from the sphere of tax control. The proposed amendment to the legal regulations can become a tool for increasing the competitiveness of domestic products, which is considered as a pre-requisite for the survival of production enterprises.³⁷

At the same time, law-abiding interdependent companies and the material interests of the state may suffer because of price-fixing arrangements between some formally independent parties.³⁸

Therefore, in the legislation of some countries, including Brazil, China, India and Japan, there is a concept of latent interdependent parties.

Thus, the parties can be recognized related if they have certain credit relations (China, Japan, India); if one party uses an intangible asset belonging to another one (Japan, India); or if they have common foreign distributors or dealers (Brazil).

According to the law of Kazakhstan, the parties are recognized related if "the parties to the transactions apply the transaction price at which there is a deviation from the market price, taking into account the price range, according to one of the authorized bodies". Consequently, if the transaction price does not correspond to the market price, the parties are considered related. Moreover, as mentioned above, it is an irrefutable presumption. We consider it is incorrect to recognize unambiguously the parties to be related based only on their non-market price level. Besides, the international regulations operate with the presumption that the transaction price corresponds to the level of market prices until proven otherwise.

CONCLUSION

In order to form a competitive market pricing system with reliable price indicators, we propose the following changes to the legislation: 1) to use a single definition of "related persons" with an identical list of grounds for recognizing persons to be related both in tax law and in customs law for price control purposes; 2) to continue elaborating the criteria of "relatedness" with the legally confirmed possibility to dispute them. At the same time, in

order to protect bona fide entrepreneurs, we propose to implement foreign experience of recognising latent dependence of the parties, taking into account our national specifics; 3) to develop legal definitions of "control" and "influence" in relations between the parties to transactions. At the same time, we propose to withdraw transactions between structural divisions of a single production complex within the jurisdiction of one state from the sphere of transfer pricing legislation of the Russian Federation and the Republic of Kazakhstan; and the same refers to transactions made due to the monopoly position of the parties (with regard to Kazakhstani law).

Thus, the only basis for applying legal consequences to related parties should be the establishment of the actual impact of their relationship on the terms of the transaction, in the absence of which the transfer price adjustments are unacceptable.

We believe that the conclusions based on our research findings will make a certain contribution to the solution of theoretical and practical problems of defining "related parties" for the purposes of transfer pricing.

ENDNOTES

1. Ebralidze L.D. *Affilirovannye lica kak pravovoj institut i pravovoe sredstvo razreshenija konflikta interesov v sfere predprinimatel'skoj dejatel'nosti* [Affiliated parties as a legal institution and a legal means of resolving conflicts of interest in the sphere of entrepreneurial activity]. Cand. Sci. Thesis in Law: 12.00.03. Kazan: Kazan (Volga Region) Federal University, 2014. Retrieved January 30, 2021, from <http://www.dslib.net>
2. Ivolzhatov A.V. *Vzaimozavisimye juridicheskie lica v nalogovom prave* [Interdependent legal entities in the tax law]. Cand. Sci. Thesis in Law: 12.00.04. Saratov: Saratov State Law Academy, 2014. Retrieved January 30, 2021, from <http://www.dslib.net>
3. Sergeev A.G. *Grazhdansko-pravovoe polozhenie affilirovannyh, vzaimozavisimyh lic i grupp lic* [Civil status of affiliated, interdependent persons and groups of persons]. Cand. Sci. Thesis in Law: 12.00.03. Moscow: Moscow Humanitarian Economic University, 2010. Retrieved February 05, 2021, from <http://www.dslib.net>
4. Ikonnikova O.A. *Pravovye rezhimy nalogooblozhenija vzaimozavisimyh lic (organizacij)* [Legal regimes of taxation of interdependent persons (entities)]. Cand. Sci. Thesis in Law: 12.00.14. Moscow: Institute of Legislation and Comparative Law under the Russian Federation Government, 2009. Retrieved February 05, 2021, from <http://www.dslib.net>
5. Kizimov A.S. *Vzaimozavisimost' v mezhdunarodnoj praktike* [Interdependence in international practice]. *Nalogovaja politika i praktika*, 2012, no. 5(113). Retrieved January 28, 2021, from <https://cyberleninka.ru>
6. Ebralidze L.D. *Affilirovannye lica kak pravovoj institut i pravovoe sredstvo razreshenija konflikta interesov v sfere predprinimatel'skoj dejatel'nosti* [Affiliated parties as a legal institution and a legal means of resolving conflicts of interest in the sphere of entrepreneurial activity]. Cand. Sci. Thesis in Law: 12.00.03. Kazan: Kazan (Volga Region) Federal University, 2014. Retrieved January 30, 2021, from <http://www.dslib.net>
7. Grundel L.P. *Metodologicheskie aspekty nalogovogo regulirovanija transfertnogo cenoobrazovanija v Avstrii* [Methodological aspects of tax regulation of transfer pricing in Austria]. *EUROPEAN RESEARCH*. Proceedings of the 16th International Research and Application Conference in 2 parts. Part 2. Penza: International centre for scientific cooperation "Science and education", 2018, pp. 20–23. Retrieved February 04, 2021, from <http://www.elibrary.ru>
8. Vylkova E.S., Galieva E.A. *Upravlenie transfertnym cenoobrazovanijem v RF s ispol'zovanijem opyta Velikobritanii* [Transfer pricing management in the Russian Federation with the use of the UK experience]. *Nalogi i finansovoe pravo*, 2015, no. 4, pp. 137–146. Retrieved February 04, 2021, from <http://www.elibrary.ru>
9. Altukhova E.V. *Vzaimozavisimye lica v nalogovom prave* [Interdependent persons in the tax law]. Cand. Sci. Thesis in Law: 12.00.14. Moscow: Russian Academy of Justice, 2008. Retrieved January 30, 2021, from <http://www.dslib.net>
10. Pletneva G. *Mezhdunarodnaja praktika primenenija transfertnyh cen dlja nalogovogo kontrolja sdelok mezhdu vzaimozavisimymi licami* [International practice of using transfer prices for the tax control of transactions between interdependent persons]. *Finansovaja zhizn'*, 2013, no. 4, pp. 37–42. Retrieved February 08, 2021, from <http://www.elibrary.ru>
11. Galimardanova Yu.M., Tufetulov A.M. *Problemy i perspektivy opredelenija kriteriev vzaimozavisimosti lic dlja celej nalogooblozhenija* [Problems and prospects for determining the criteria for interdependence of persons for tax purposes]. *Kazanskij Jekonomicheskij Vestnik*, 2017, no. 4(30), pp. 61–67. Retrieved February 04, 2021, from <http://www.elibrary.ru>

12. Ivolzhatov A.V. *Vzaimozavisimye juridicheskie lica v nalogovom prave [Interdependent legal entities in the tax law]*. Cand. Sci. Thesis in Law: 12.00.04. Saratov: Saratov State Law Academy, 2014. Retrieved January 30, 2021, from <http://www.dslib.net>
13. Galimardanova Yu.M., Tufetulov A.M. Problemy i perspektivy opredeleniya kriteriev vzaimozavisimosti lic dlja celej nalogooblozhenija [Problems and prospects for determining the criteria for interdependence of persons for tax purposes]. *Kazanskij Jekonomicheskij Vestnik*, 2017, no. 4(30), pp. 61–67. Retrieved February 04, 2021, from <http://www.elibrary.ru>
14. Ebralidze L.D. *Affilirovannye lica kak pravovoj institut i pravovoe sredstvo razreshenija konflikta interesov v sfere predprinimatel'skoj dejatel'nosti [Affiliated parties as a legal institution and a legal means of resolving conflicts of interest in the sphere of entrepreneurial activity]*. Cand. Sci. Thesis in Law: 12.00.03. Kazan: Kazan (Volga Region) Federal University, 2014. Retrieved January 30, 2021, from <http://www.dslib.net>
15. Nikitin S.M., Glazova E.S., Stepanova M.P. Transferitnoe cenoobrazovanie v razvityh stranah [Transfer pricing in developed countries]. *Den'gi i kredit*, 2006, no. 4, pp. 35–40. Retrieved February 08, 2021, from <http://www.elibrary.ru>
16. Sergeev A.G. *Grazhdansko-pravovoe polozhenie affilirovannyh, vzaimozavisimyh lic i grupp lic [Civil status of affiliated, interdependent persons and groups of persons]*. Cand. Sci. Thesis in Law: 12.00.03. Moscow: Moscow Humanitarian Economic University, 2010. Retrieved February 05, 2021, from <http://www.dslib.net>
17. Kamenkov M.V. *Problemy nalogooblozhenija vzaimozavisimyh lic [Issues related to taxation of interdependent persons]*. Cand. Sci. Thesis in Law: 12.00.04. Saint Petersburg: St Petersburg State University, 2016. Retrieved February 05, 2021, from <http://www.dslib.net>
18. Altukhova E.V. *Vzaimozavisimye lica v nalogovom prave [Interdependent persons in the tax law]*. Cand. Sci. Thesis in Law: 12.00.14. Moscow: Russian Academy of Justice, 2008. Retrieved January 30, 2021, from <http://www.dslib.net>
19. Egorova M.A. Rodstvennye otnoshenija kak kriterij formirovaniya gruppy lic [Family relationship as a criterion for the formation of a group of persons]. *Predprinimatel'skoe pravo*, 2014, no. 1, pp. 39–46.
20. Tikhonov V.V. *Kategorii zainteresovannosti i affilirovannosti v grazhdanskom prave Rossii [Categories of interest and affiliation in Russian civil law]*. Cand. Sci. Thesis in Law: 12.00.03. Rostov-on-Don: Russian Presidential Academy of National Economy and Public Administration, 2018. Retrieved January 30, 2021, from <http://www.dslib.net>
21. Galimardanova Yu.M., Tufetulov A.M. Problemy i perspektivy opredeleniya kriteriev vzaimozavisimosti lic dlja celej nalogooblozhenija [Problems and prospects for determining the criteria for interdependence of persons for tax purposes]. *Kazanskij Jekonomicheskij Vestnik*, 2017, no. 4(30), pp. 61–67. Retrieved February 04, 2021, from <http://www.elibrary.ru>
22. Altukhova E.V. *Vzaimozavisimye lica v nalogovom prave [Interdependent persons in the tax law]*. Cand. Sci. Thesis in Law: 12.00.14. Moscow: Russian Academy of Justice, 2008. Retrieved January 30, 2021, from <http://www.dslib.net>
23. Ibid.
24. Galimardanova Yu.M., Tufetulov A.M. Problemy i perspektivy opredeleniya kriteriev vzaimozavisimosti lic dlja celej nalogooblozhenija [Problems and prospects for determining the criteria for interdependence of persons for tax purposes]. *Kazanskij Jekonomicheskij Vestnik*, 2017, no. 4(30), pp. 61–67. Retrieved February 04, 2021, from <http://www.elibrary.ru>
25. Ebralidze L.D. *Affilirovannye lica kak pravovoj institut i pravovoe sredstvo razreshenija konflikta interesov v sfere predprinimatel'skoj dejatel'nosti [Affiliated parties as a legal institution and a legal means of resolving conflicts of interest in the sphere of entrepreneurial activity]*. Cand. Sci. Thesis in Law: 12.00.03. Kazan: Kazan (Volga Region) Federal University, 2014. Retrieved January 30, 2021, from <http://www.dslib.net>
26. Ibid.
27. Nikitin S.M., Glazova E.S., Stepanova M.P. Transferitnoe cenoobrazovanie v razvityh stranah [Transfer pricing in developed countries]. *Den'gi i kredit*, 2006, no. 4, pp. 35–40. Retrieved February 08, 2021, from <http://www.elibrary.ru>
28. Ivolzhatov A.V. *Vzaimozavisimye juridicheskie lica v nalogovom prave [Interdependent legal entities in the tax law]*. Cand. Sci. Thesis in Law: 12.00.04. Saratov: Saratov State Law Academy, 2014. Retrieved January 30, 2021, from <http://www.dslib.net>
29. Pletneva G. Mezhdunarodnaja praktika primenenija transferitnyh cen dlja nalogovogo kontrolja sdelok mezhdru vzaimozavisimymi licami [International practice of using transfer prices for the tax control of transactions between interdependent persons]. *Finansovaja zhizn'*, 2013, no. 4, pp. 37–42. Retrieved February 08, 2021, from <http://www.elibrary.ru>
30. Kamenkov M.V. *Problemy nalogooblozhenija vzaimozavisimyh lic [Issues related to taxation of interdependent persons]*. Cand. Sci. Thesis in Law: 12.00.04. Saint Petersburg: St Petersburg State University, 2016. Retrieved February 05, 2021, from <http://www.dslib.net>

31. Nagornyykh M.G. *Finansovoe regulirovanie sdelok mezhdru vzaimozavisimymi kompanijami [Financial regulation of transactions between interdependent companies]*. Cand. Sci. Thesis in Law: 08.00.10. Moscow: Plekhanov Russian University of Economics, 2017. Retrieved February 08, 2021, from <http://www.dslib.net>
32. Kamenkov M.V. *Problemy nalogooblozhenija vzaimozavisimyh lic [Issues related to taxation of interdependent persons]*. Cand. Sci. Thesis in Law: 12.00.04. Saint Petersburg: St Petersburg State University, 2016. Retrieved February 05, 2021, from <http://www.dslib.net>
33. Ikonnikova O.A. *Pravovye rezhimy nalogooblozhenija vzaimozavisimyh lic (organizacij) [Legal regimes of taxation of interdependent persons (entities)]*. Cand. Sci. Thesis in Law: 12.00.14. Moscow: Institute of Legislation and Comparative Law under the Russian Federation Government, 2009. Retrieved February 05, 2021, from <http://www.dslib.net>
34. Ibid.
35. Belykh V.S., Stadnik T.V. Rol' transfertnogo cenoobrazovanija v konkurentnoj bor'be za rynki sbyta produkcii [The role of transfer pricing in the competition for product markets]. In Egorova M.A. (Ed.). *Aktual'nye voprosy sovremennogo konkurentnogo prava [Topical issues of modern competition law]*. Collection of Scientific Papers. Issue 1. Moscow: Justicinform, 2017, pp. 182–197.
36. Ivolzhatov A.V. *Vzaimozavisimye juridicheskie lica v nalogovom prave [Interdependent legal entities in the tax law]*. Cand. Sci. Thesis in Law: 12.00.04. Saratov: Saratov State Law Academy, 2014. Retrieved January 30, 2021, from <http://www.dslib.net>
37. Samoylova S.S., Shepelev O.M. Sovremennye sposoby finansirovanija korporativnyh biznes-grupp [Modern ways of financing corporate business groups]. *Social'no-jekonomicheskie javlenija i processy*, 2011, no. 10, p. 172.
38. Nepesov K.A. *Nalogovye aspekty transfertnogo cenoobrazovanija: sravnitel'nyj analiz opyta Rossii i zarubezhnyh stran [Tax aspects of transfer pricing: A comparative analysis of experience in Russia and foreign countries]*. Moscow: Wolters Kluwer, 2007, p. 6.

REFERENCES

- Altukhova, E.V. (2008). *Vzaimozavisimye lica v nalogovom prave [Interdependent persons in the tax law]*. Cand. Sci. Thesis in Law: 12.00.14. Moscow: Russian Academy of Justice, 2008.
- Belykh V.S., & Stadnik T.V. (2017). Rol' transfertnogo cenoobrazovanija v konkurentnoj bor'be za rynki sbyta produkcii [The role of transfer pricing in the competition for product markets]. In Egorova M.A. (Ed.). *Aktual'nye voprosy sovremennogo konkurentnogo prava [Topical issues of modern competition law]*. *Collection of Scientific Papers*, 1. Moscow: Justicinform, 182–197.
- Ebraldidze, L.D. (2014). *Affilirovannye lica kak pravovoj institut i pravovoe sredstvo razreshenija konflikta interesov v sfere predprinimatel'skoj dejatel'nosti [Affiliated parties as a legal institution and a legal means of resolving conflicts of interest in the sphere of entrepreneurial activity]*. Cand. Sci. Thesis in Law: 12.00.03. Kazan: Kazan (Volga Region) Federal University. from
- Egorova M.A. (2014). Rodstvennye otnoshenija kak kriterij formirovanija gruppy lic [Family relationship as a criterion for the formation of a group of persons]. *Predprinimatel'skoe pravo*, 1, 39–46.
- Galimardanova, Yu.M., & Tufetulov, A.M. (2017). Problemy i perspektivy opredelenija kriteriev vzaimozavisimosti lic dlja celej nalogooblozhenija [Problems and prospects for determining the criteria for interdependence of persons for tax purposes]. *Kazanskij Jekonomicheskij Vestnik*, 4(30), 61–67.
- Grundel, L.P. (2018). Metodologicheskie aspekty nalogovogo regulirovanija transfertnogo cenoobrazovanija v Avstrii [Methodological aspects of tax regulation of transfer pricing in Austria]. *European Research. Proceedings of the 16th International Research and Application Conference in 2 parts. Part 2*. Penza: International centre for scientific cooperation "Science and education", 20–23.
- Ivolzhatov A.V. (2014). *Vzaimozavisimye juridicheskie lica v nalogovom prave [Interdependent legal entities in the tax law]*. Cand. Sci. Thesis in Law: 12.00.04. Saratov: Saratov State Law Academy.
- Ikonnikova, O.A. (2009). *Pravovye rezhimy nalogooblozhenija vzaimozavisimyh lic (organizacij) [Legal regimes of taxation of interdependent persons (entities)]*. Cand. Sci. Thesis in Law: 12.00.14. Moscow: Institute of Legislation and Comparative Law under the Russian Federation Government.
- Kamenkov, M.V. (2016). *Problemy nalogooblozhenija vzaimozavisimyh lic [Issues related to taxation of interdependent persons]*. Cand. Sci. Thesis in Law: 12.00.04. Saint Petersburg: St Petersburg State University.
- Kizimov, A.S. (2012). *Vzaimozavisimost' v mezhdunarodnoj praktike [Interdependence in international practice]*. *Nalogovaja politika i praktika*, 5(113).
- Nagornyykh, M.G. (2017). *Finansovoe regulirovanie sdelok mezhdru vzaimozavisimymi kompanijami [Financial regulation of transactions between interdependent companies]*. Cand. Sci. Thesis in Law: 08.00.10. Moscow: Plekhanov Russian University of Economics.

- Nepesov, K.A. (2007). *Nalogovye aspekty transferfnogo cenoobrazovanija: sravnitel'nyj analiz opyta Rossii i zarubezhnyh stran [Tax aspects of transfer pricing: A comparative analysis of experience in Russia and foreign countries]*. Moscow: Wolters Kluwer, 6.
- Nikitin, S.M., Glazova E.S., & Stepanova M.P. (2006). Transferfnoe cenoobrazovanie v razvityh stranah [Transfer pricing in developed countries]. *Den'gi i kredit*, 4, 35–40.
- Pletneva, G. (2013). Mezhdunarodnaja praktika primenenija transferfnyh cen dlja nalogovogo kontrolja sdelok mezhdvu vzaimozavisimymi licami [International practice of using transfer prices for the tax control of transactions between interdependent persons]. *Finansovaja zhizn'*, 4, 37–42.
- Samoylova, S.S., & Shepelev, O.M. (2011). Sovremennye sposoby finansirovanija korporativnyh biznes-grupp [Modern ways of financing corporate business groups]. *Social'no-jekonomicheskie javlenija i processy*, 10, 172.
- Sergeev, A.G. (2010). Grazhdansko-pravovoe polozhenie affilirovannyh, vzaimozavisimyh lic i grupp lic [Civil status of affiliated, interdependent persons and groups of persons]. Cand. Sci. Thesis in Law: 12.00.03. Moscow: Moscow Humanitarian Economic University. Retrieved February 05, 2021, from
- Tikhonov, V.V. (2018). Kategorii zainteresovannosti i affilirovannosti v grazhdanskom prave Rossii [Categories of interest and affiliation in Russian civil law]. Cand. Sci. Thesis in Law: 12.00.03. Rostov-on-Don: Russian Presidential Academy of National Economy and Public Administration.
- Vylkova, E.S., & Galieva E.A. (2015). Upravlenie transferfnyh cenoobrazovanijem v RF s ispol'zovanijem opyta Velikobritanii [Transfer pricing management in the Russian Federation with the use of the UK experience]. *Nalogi i finansovoe pravo*, 4, 137–146.

Received: 23-Nov-2021, Manuscript No. asmj-21-9293; **Editor assigned:** 25-Nov-2021, PreQC No. asmj-21-9293 (PQ); **Reviewed:** 30-Nov-2021, QC No. asmj-21-9293; **Revised:** 11-Dec-2021, Manuscript No. asmj-21-9293 (R); **Published:** 05-Jan-2022.