



**WORKING PARTY NO. 6'S SPECIAL SESSION ON  
THE TRANSFER PRICING ASPECTS OF INTANGIBLES:  
MEETING WITH PRIVATE SECTOR REPRESENTATIVES ON THE VALUATION OF  
INTANGIBLES FOR TRANSFER PRICING PURPOSES**

**Agenda**

**21-23 March 2011**

**OECD, Paris**

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**21-23 March 2011 at the OECD Conference Centre in Paris**

1. The OECD is starting a new project on the Transfer Pricing Aspects of Intangibles, to be carried out by a Working Party No. 6 Special Session on the TP Aspects of Intangibles (“WP6 TPI”). In July 2010, comments were invited from interested parties on the scoping of such a project. Almost 50 written contributions were received from the public, most of which are available on the OECD Internet site. A consultation with business commentators was held on 9 November 2010 in Paris. A scoping paper was approved by the Committee on Fiscal Affairs on 25 January 2011 and released on the OECD Internet site ([www.oecd.org/ctp/tp/intangibles](http://www.oecd.org/ctp/tp/intangibles)).

2. The OECD considers that it is critical to the success of this project to involve the business community from the early stages of this project. It was decided that some business representatives will be invited on an *ad hoc* basis to attend part of the meetings of the WP6 TPI, depending on the topics that will be discussed at each meeting.

***Objectives of the meeting and draft agenda***

3. At its March 2011 meeting, the WP6 TPI discussed valuation issues. Attached is the agenda for the part of the meeting to which some business representatives were invited.

4. The objectives of the 21-23 March 2011 meeting were for business representatives to be given the opportunity to orally explain some of the theoretical and practical issues they encountered in relation to the valuation of intangibles for transfer pricing purposes and for WP6 TPI Delegates to obtain clarification of the issues raised to the extent needed.

5. For each agenda item, designated business representatives were invited to make presentations as indicated in the attached agenda. Time was kept for discussion with participants on each of the agenda items.

6. The consultation was held in English with no interpretation provided.

**AGENDA FOR THE OECD MEETING ON THE VALUATION OF INTANGIBLES  
FOR TRANSFER PRICING PURPOSES  
ORGANISED BY WORKING PARTY No. 6 OF THE COMMITTEE ON FISCAL AFFAIRS**

**Starting on 21 March 2011 at 14:00 and finishing on 23 March 2011 at 13:00  
at the OECD Headquarters  
OECD Conference Centre - 2, rue André Pascal, 75016 Paris, France**

*Chair: Ms. Michelle Levac, Chair of Working Party 6 and of its Special Session on the TP Aspects of Intangibles*

21 March 2011	
13:00 – 14:00	<i>Registration</i>
14:00 – 14:15	<p><b>Welcome, Overview and Ground Rules. The OECD project on the TP Aspects of Intangibles and the consultation process.</b></p> <ul style="list-style-type: none"> <li>• Michelle Levac, Chair of Working Party 6 and of its Special Session on the TP Aspects of Intangibles</li> <li>• Caroline Silberztein, Head of the Transfer Pricing Unit, OECD</li> </ul>
14:15 – 15:15	<p><b>Understanding the Merger &amp; Acquisition Landscape:</b> <b>Trends, process, value creation, value drivers, fair market value vs. price, hypothetical vs. open market, buy vs. sale side and synergies.</b></p> <ul style="list-style-type: none"> <li>• Designated speakers: Pim Fris and Emmanuel Llinares (NERA)</li> <li>• Questions and answers</li> </ul>
15:15 – 16:15	<p><b>Understanding the Valuation Landscape:</b> <b>Key valuation definitions and principles, price vs. value, hindsight, valuation process, general valuation approaches (i.e. income, market and cost), underlying assumptions.</b></p> <ul style="list-style-type: none"> <li>• Designated speaker: Frank Bollmann (IVSC)</li> <li>• Questions and answers</li> </ul>
16:15 – 16:45	<i>Refreshment break</i>

16:45 – 18:00	<p><b>Understanding the Valuation Landscape (cont'd):</b></p> <p><b>Conceptual background on the levels of value (i.e. marketable minority, control, special purchase, etc.), discounts and premiums, competitive &amp; proprietary economic advantages, functional, commercial, legal &amp; other value drivers, developing an appropriate cost of capital and its impact on value</b></p> <ul style="list-style-type: none"> <li>• Designated speakers: Clark Chandler (KPMG)</li> <li>• Questions and answers</li> </ul>
18:00	<i>Close of day</i>
<b>22 March 2011</b>	
9:30 – 10:30	<p><b>Forecasting, expected use, expected useful life and discount rate:</b></p> <p><b>Reliability assessment, key components, analytical tools, sensitivity analysis, link to working capital requirements, unreliable indicators, pre vs. post tax analysis, interaction effects, relevant information.</b></p> <ul style="list-style-type: none"> <li>• Designated speakers: Astrid Pieron and Charles Triplett (Mayer Brown)</li> <li>• Questions and answers</li> </ul>
10:30 – 11:30	<p><b>Valuation in a highly uncertain environment and hindsight:</b></p> <p><b>Commonality and valuation of contingent purchase prices, price adjustment clauses and renegotiations.</b></p> <ul style="list-style-type: none"> <li>• Designated speakers: Ian Brimicombe and Mark Smith (AstraZeneca); Johann H. Müller (TEI)</li> <li>• Questions and answers</li> </ul>
11:30 – 12:00	<i>Refreshment break</i>
12:00 – 13:00	<p><b>TRIPS Agreement</b></p> <p><b>Terms of protection, geographical limitation, goodwill and remedies</b></p> <ul style="list-style-type: none"> <li>• Designated speakers: Anne Quenedey and Isabelle Leroux (Bird &amp; Bird)</li> <li>• Questions and answers</li> </ul>
13:00 – 14:30	<i>Lunch break</i>

14:30 – 15:30	<p><b>Overview of the IFRS 3, IAS 36 and IAS 38 and conceptual framework:</b></p> <p><b>Background information, recent developments and outlook.</b></p> <p><b>Definition; recognition; standard of value; value hierarchy, reporting unit basis; market participant, highest and best use and buyer specific attributes concepts; valuing individual intangible assets; synergistic value; identifiable vs. non-identifiable intangibles. Alternative options available.</b></p> <ul style="list-style-type: none"> <li>• Designated speaker: Clark Chandler (KPMG)</li> <li>• Questions and answers</li> </ul>
15:30 – 16:30	<p><b>Overview of the IFRS 3, IAS 36 and IAS 38 and conceptual framework (cont'd):</b></p> <p><b>Assessing and selecting an appropriate valuation approach, Cost approach (including appropriateness to value an assembled workforce), Market approaches, Income approaches; Fair Value less costs to sell vs. Value-in-Use standards.</b></p> <ul style="list-style-type: none"> <li>• Designated speaker: Jim Eales (E&amp;Y)</li> <li>• Questions and answers</li> </ul>
16:30 – 17:00	<i>Refreshment break</i>
17:00-18:00	<p><b>International Organization for Standardization ('ISO') 10668</b></p> <p><b>Brand valuation, consistent and reliable approach including financial, behavioural and legal aspects.</b></p> <p><b>German Institute of Public Auditors - IDW S 5:</b> <b>Standard on the valuation of IA.</b></p> <p><b>German Institute for Standardization:</b> <b>DIN Norm 77100 – patent valuation.</b></p> <p><b>Framework including objectives, bases of valuation, approaches to valuation, methods of valuation, sourcing of quality data and assumptions.</b></p> <ul style="list-style-type: none"> <li>• Designated speakers: Jutta Menninger and Werner Stuffer (PwC)</li> <li>• Questions and answers</li> </ul>
18:00	<i>Close of day</i>

23 March 2011

9:30 – 11:30	<p><b>Practical example of intangible asset valuation to illustrate the following methodologies:</b></p> <ul style="list-style-type: none"><li>▪ Relief from royalty approach</li><li>▪ Excess earnings approach</li><li>▪ Greenfield approach</li><li>▪ Cost approach</li><li>▪ With or Without Approach (Differential Approach)</li><li>▪ Example of a WARA</li><li>▪ Example of contributory asset charges</li></ul> <ul style="list-style-type: none"><li>• Designated speaker: Richard Ginsberg (CICBV)</li><li>• Questions and answers</li></ul>
11:30 – 11:50	<p><i>Refreshment break</i></p>
11:50 – 12:50	<p><b>Convergence of valuations for transfer pricing purposes with valuation for other purposes:</b></p> <p><b>Is the arm's length principle an arm's length value, market value, fair market value or how does it differ from those basis of valuation; Extent to which valuation principles and methodologies may be used for transfer pricing purposes; Gap between valuations for financial reporting and for tax purposes: transaction purchase price, allocation methodologies, assumption, aggregation, intended use.</b></p> <ul style="list-style-type: none"><li>• Designated speakers: William F. Finan (Taj) and Susan Launiau; Chris Lenon (BIAC)</li><li>• Questions and answers</li></ul>
12:50 – 13:00	<p><b>Closing remarks</b></p>