

### Agenda for the Third Meeting of the Business Advisory Group

This will be a joint meeting with some members of the governmental Working Group

**11 June 2007 from 10:00 to 17:00**

**Room: Salle Marshall**

10.00	Welcome. Update on the process and timeline. Questions and answers.
	<p><b>a) Discussion of the second set of issues: transfer pricing consequences of restructurings not subject to recharacterisation</b></p> <ul style="list-style-type: none"><li>* Indemnification / payment upon conversion, e.g. for a transfer of intangibles or “loss of profit potential”;</li><li>* How to determine the arm’s length remuneration of a stripped entity and of its principal;</li><li>* How to account for group synergies and efficiency gains;</li><li>* Whether the arm’s length principle applies differently to an arrangement between associated enterprises depending upon whether or not it replaces an existing arrangement (i.e. conversion situations versus start-up situations), and if so how.</li></ul> <p><b>b) Discussion of the third set of issues: permanent establishment issues</b></p> <ul style="list-style-type: none"><li>* When can a foreign enterprise be found to have a permanent establishment after a business restructuring under Article 5(1) or 5(5) of the Model Tax Convention;</li><li>* Whether further guidance should be developed to complement the section on Dependent Agent PE’s that is included in Part I of Working Party No. 6’s Report on Attributing Profits to PE’s, and if so what should be the direction.</li></ul>
17:00	Close of meeting