

Abstract

The aim of this paper is to find ways to reduce conflict between tax administrations and multinational corporations (MNCs) and between tax administrations in relation to transfer pricing. This paper examines cross-national differences in both management and regulatory styles between the US, the UK and Japan in relation to transfer pricing and evaluates Australia's transfer pricing regulatory strategy. Data were based on semi-structured interviews conducted in July 2000 to September 2001 with tax managers working for MNCs, tax advisors employed by the Big Five accounting firms, and revenue authorities from Australia, Japan, the UK and the US. The results suggest that cross-national differences in management styles do exist between Japanese MNCs and their Western counterparts. However, harmonisation of management styles is occurring. The results suggest that the different regulatory styles employed by US, UK and Japanese tax administrations have both merits and shortcomings for ensuring compliance with transfer pricing rules. The implications of this study are discussed in a global regulatory context.