



BACKGROUND In the tax arena, transfer pricing disputes across the world have often witnessed long drawn litigation with high financial stakes, as each tax jurisdiction tussles for its pie of the cake. In spite of decades having passed by since the introduction of transfer pricing laws in many developed countries, new guidance on the topic continues to emerge in the form of guidance papers being issued by revenue authorities of many countries or by international forums like the Organization for Economic Co-operation and Development (‘OECD’) and also tax rulings pronounced by the Courts across jurisdiction. Recently, the US Tax Court pronounced an interesting ruling in the case of Coca-Cola Company wherein a previously agreed and accepted transfer pricing methodology was disputed by the US Internal Revenue Service (IRS) The Chamber’s International Tax Journal | March, 2021 as not reflective of arm’s length.....