Conceptual Foundations and International Experience of Implementing the Safe Harbour Regime in Transfer Pricing

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Abstract. *The article examines the conceptual basis and international experience with the implementation of the safe harbour regime in the area of transfer pricing. It argues for the need to use this mechanism as an effective tool for minimising tax risks, optimising the administrative burden and increasing the predictability of tax rules. It is noted that the safe harbour regime is based on the establishment of clear criteria for low-risk transactions, which makes it possible to reduce the volume of controls and increase the level of transparency of intra-group transactions. The article analyses the main features of the safe harbour regime, in particular its voluntary nature, the clarity of the compliance criteria, the simplification of administrative procedures, the limitation of its scope and the harmonisation with international standards. It shows that the implementation of this regime helps to reduce conflicts between business and tax authorities, promotes trust between the parties and contributes to the creation of a stable tax environment. The historical aspects of the emergence of the concept of safe harbours in the context of global initiatives to combat base erosion and profit shifting (BEPS) are examined. The role of the Organisation for Economic Co-operation and Development (OECD) in developing standards to ensure consistency in transfer pricing approaches is identified. International experience in implementing the regime in developed countries, such as the United States, Germany and Australia, and in developing countries, such as Brazil and India, will be examined. The paper analyses the advantages and disadvantages of different models of safe harbour implementation, taking into account their adaptability to local conditions, their compliance with international standards and their ability to minimise administrative costs. Particular attention is paid to the harmonisation of the safe harbour regime with European directives, which ensures consistency of tax approaches within the Single Economic Space. It finds that the use of this regime in EU countries helps to attract investment, but faces challenges due to the need to take into account national specificities. It is demonstrated that the successful implementation of the safe harbour regime depends on its adaptation to the national legal framework, institutional characteristics and economic realities. Evidence shows that clarity of criteria and transparency of procedures are key conditions for effective implementation of the regime. The author suggests ways to improve the mechanisms for implementing safe harbours, taking into account international recommendations and the specific economic conditions of individual countries. The author identifies the need to create tools to monitor the effectiveness of the regime and to provide technical assistance to tax authorities and companies. The research analyses the potential impact of safe harbours on the tax system and investment climate of the countries implementing the regime. It is shown that the introduction of safe harbours has a positive impact on reducing administrative costs, reducing the number of disputes and stimulating economic activity. It concludes that the safe harbour regime is an important strategic tool in the transfer pricing system that can ensure a balance between the interests of the state and those of business. The author emphasises the need for further research to integrate the best international practices into national tax systems. The study provides a theoretical and practical basis for the development of new approaches to the implementation of safe harbours that will facilitate the integration of countries into the global economic system and increase their competitiveness.*

Keywords: *transfer pricing, safe harbours, international experience, OECD, tax regulation.*

JEL Classification: *H25, K34*

1 Introduction

In today's world, economic globalisation is significantly changing approaches to regulating transnational activities by creating conditions for effective control of transfer pricing. Transfer pricing is an important tool used by companies to optimise their tax liabilities. At the same time, it creates risks of abuse that can lead to significant losses for public budgets. In response to these challenges, the OECD has developed and is implementing guidelines, among which the concept of safe harbours occupies a special place. This tool simplifies tax administration procedures for certain types of transactions, while reducing the risk of disputes between taxpayers and regulators.

The relevance of studying the safe harbour regime is driven by the need to improve tax regulation in Ukraine. Today, the national tax system faces several challenges, which are aggravated by the integration into global economic processes. The lack of clear transfer pricing mechanisms adapted to Ukrainian realities results in low efficiency of tax administration, creates additional burdens for businesses and increases the level of conflict between taxpayers and regulatory authorities. In addition, the current economic situation in Ukraine is significantly influenced by external factors, such as the need to attract foreign investment, ensure transparency of international transactions and increase the country's competitiveness. In these circumstances, the adaptation of OECD recommendations into national legislation is an important step towards the integration of Ukraine into the global tax system. The introduction of a safe harbour regime could become one of the key tools to achieve these goals, while ensuring predictability of tax rules for businesses and stability of tax revenues for the budget.

However, the implementation of this system faces a number of challenges, including an incomplete legal framework, a low level of adaptation of international standards to national legislation and an underdeveloped institutional environment. The lack of a clear methodology and practical guidelines for the application of the safe harbour principle in transfer pricing creates additional difficulties for companies and tax authorities. Another important problem is the lack of experience with the use of such mechanisms in countries with economic conditions similar to Ukraine's. This makes it difficult to predict the effectiveness of the proposed solutions and requires a detailed study of international experience. In addition, there is a need to balance the interests of the state, which seeks to increase budget revenues, and businesses, which expect a stable and predictable tax environment.

Therefore, studying the implementation of the safe harbour regime in Ukraine is a multifaceted task that requires an analysis of the conceptual foundations, practical mechanisms of implementation, and an assessment of its potential impact on the country's economic and tax systems.

2 Purpose and Methodology of the Study

The purpose of the study is to analyse the conceptual basis, international implementation experience and practical aspects of adapting the safe harbour regime to the transfer pricing system of Ukraine, taking into account the OECD recommendations and the specifics of the national economy.

The methodological basis of the study involves the use of a wide range of scientific approaches and methods that provide a comprehensive analysis of the conceptual framework, international experience and possibilities of adapting the safe harbour regime to the conditions of Ukraine:

1) A systematic approach was adopted to analyse the relationship between the safe harbour principles and the general transfer pricing system. This analysis enabled the regime to be considered as an integral part of tax regulation.

2) The comparative analysis method was used to study safe harbour implementation practices in different countries, such as the United States, Germany, Australia and Brazil. This allowed to assess the effectiveness of their approaches and identify strengths and weaknesses.

3) The structural and functional analysis facilitated the study of the main elements of the safe harbour regime, their functions in the transfer pricing system, and their impact on the business environment and tax administration.

4) The historical approach made it possible to study the evolution of the safe harbour concept in transfer pricing, starting with its formation within the framework of the OECD recommendations, and to assess its adaptation to the current challenges of globalisation.

5) The legal and regulatory analysis was used to study the existing transfer pricing legislation and international standards, including OECD recommendations, in order to identify legal gaps and opportunities for their elimination.

The integration of these methodologies enabled a systematic, multidimensional approach to the study of the safe harbour regime, thereby substantiating the ways of its implementation in the Ukrainian tax environment.

3 Conceptual Content of the Safe Harbour Regime in the Context of Transfer Pricing

The idea of introducing a safe harbour regime for transfer pricing arose in response to the urgent need of the international community to create effective mechanisms to regulate inter-company transactions. Its emergence is closely linked to the development of the regulatory environment aimed at combating aggressive tax practices leading to base erosion and profit shifting (BEPS). The concept is reflected in the recommendations of the Organisation for Economic Co-operation and Development (OECD), which has become a key driver of transfer pricing standardisation at the global level.

According to the OECD guidelines published in 1995 and updated in subsequent years, particular attention was paid to the need to simplify the administration of transfer pricing for typical or low-risk transactions. This became the basis for the development of the safe harbours concept, which provides for the establishment of certain limits within which taxpayers can avoid additional audit burdens if they meet the approved conditions.

The stages in the development of this concept reflect the gradual transformation of international tax regulation. From initial initiatives to define acceptable limits for the profitability of certain types of activities, to the introduction of detailed rules that take into account the specificities of industries and economic conditions. In 2013, the BEPS project gave the concept an additional boost when it developed recommendations for its use as a tool to minimise disputes between tax authorities and taxpayers.

The safe harbour regime has emerged as an innovative approach to balancing the interests of business and government, contributing to increased transparency, predictability and efficiency of transfer pricing tax rules (Kraievskyi, Smirnova & Muravskyi, 2024).

The transfer pricing safe harbour is a tool designed to simplify tax administration and reduce the risk of disputes between taxpayers and tax authorities. The concept is based on the establishment of clear parameters for certain types of transactions which, if complied with, are deemed to comply with the transfer pricing requirements without the need for additional verification or documentation. The main features of the safe harbour regime are summarised in Table 1.

The transfer pricing safe harbour is a universal tool that strikes a balance between the government's need to control cross-border transactions and the business community's interest in reducing administrative burdens. Its implementation helps to increase the efficiency of tax administration, promotes transparency and minimises conflicts, thus creating more favourable conditions for economic activity.

The legal framework of the safe harbour regime is based on the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations developed by the Organisation for Economic Co-operation and Development (OECD). The Guidelines are the main international standard defining transfer pricing rules and recommending that member countries adopt consistent approaches to minimise the risk of tax disputes and avoid double taxation.

The main objective of the introduction of safe harbours is to create legal conditions that simplify the application of the arm's length principle for certain types of transactions (Kraievskyi & Myskin, 2024). This is ensured by establishing clear criteria for assessing market conditions of transactions between related parties and defining the limits within which taxpayers are exempt from the obligation to provide detailed justification of transfer prices.

The main provisions of the OECD safe harbour guidelines are as follows:

1. Arm's length principle. All transactions between related parties must be conducted on terms and conditions equivalent to those between independent market participants. The safe harbour regime applies to transactions that fall within pre-established price, margin or yield ranges.
2. Voluntary nature of the regime. The use of safe harbours is voluntary for taxpayers, who can choose to use this mechanism or use standard transfer pricing procedures.
3. Clear eligibility criteria. The regime sets out specific requirements for the types of transactions that may be eligible, including financial thresholds, categories of transactions and market conditions.

To implement safe harbours at the national level, OECD member countries should develop appropriate regulations that

– Determine the types of transactions that will be regulated by safe harbours;

– establish permissible financial ranges for such transactions;

– regulate the procedure for applying and monitoring compliance with the regime.

In this context, the OECD recommends that member countries ensure that their national legislation is in line with international standards, thereby increasing the transparency of cross-border transactions. In particular, the key aspects of harmonisation are the adaptation of the safe harbour regime to the national legal system, taking into account local economic conditions.

Table 1 Main characteristics of the safe harbour regime

No	Description	Its content and essence
1	Voluntary application	It is up to the taxpayer to decide whether to use the safe harbour regime. If the conditions of the safe harbour regime are acceptable to the business, the taxpayer can minimise the administrative burden and avoid detailed audits. At the same time, taxpayers may choose other transfer pricing methods if they consider them more advantageous or appropriate to their circumstances.
2	Clarity and predictability of criteria	The regime provides for the establishment of specific parameters, such as profitability levels, permissible price ranges or margins, for certain types of transactions that are typical or low-risk. This allows firms to assess in advance whether their transactions meet these criteria and to make appropriate decisions on the use of the scheme.
3	Simplification of administrative procedures	For transactions that meet the conditions of the safe harbour regime, the need for justification, documentation or complex economic calculations is reduced or eliminated. This significantly reduces the time and cost of complying with tax obligations.
4	Reducing tax disputes	The introduction of clear criteria and frameworks for the application of the regime helps to avoid misunderstandings between taxpayers and regulators. If a transaction meets the parameters of the safe harbour, it is automatically recognised as transfer pricing compliant, reducing the likelihood of audits and appeals.
5	Limitations of application	The safe harbour regime is mostly used for low-risk or standard types of transactions, such as services, licences, intercompany financing or other typical transactions. This allows tax authorities to focus their resources on analysing more complex and risky transactions.
6	Harmonisation with international standards	It is part of the OECD Transfer Pricing Guidelines, which ensures consistency with international standards. This is particularly important for countries integrating into the global economy, as the use of the safe harbour regime helps to create a favourable investment climate.
7	Flexibility and adaptability to national conditions	The concept allows countries to adapt the criteria and conditions for the application of the regime to the specificities of their economy, industry and tax policy. Countries can set their own safe harbour parameters, taking into account the specificities of the local market or tax policies.
8	Promoting tax transparency	The use of safe harbours helps to build trust between business and government by ensuring transparency and predictability of tax rules. This avoids misunderstandings and contributes to a stable tax environment.
9	Limiting the risk of abuse	Although the safe harbour regime is designed to simplify administration, it also imposes strict conditions to minimise the possibility of abuse by taxpayers. Failure to meet the criteria may result in the loss of the right to use the safe harbour.

Source: compiled by the author

To ensure the successful implementation of the regime, it is necessary to evaluate its effectiveness on a regular basis. This includes monitoring the impact of the safe harbours on the level of tax litigation, budget revenues and the attractiveness of the country for investment.

In general, the legal framework of the safe harbour system under the OECD Guidelines is based on clearly defined rules that aim to simplify transfer pricing, ensure transparency of international transactions and minimise administrative burdens. The successful implementation of this framework depends on the adaptation of international standards to national circumstances, ensuring their flexibility and transparency.

The safe harbour regime plays a key role in ensuring the effective functioning of the transfer pricing system, balancing the interests of the state and the business community. Its impact on tax transparency, predictability, simplification of administration and reduction of conflicts between parties allows it to be considered as a strategic tool in global tax policy. The interrelationship of these aspects creates a single integrated system that contributes to a stable and favourable environment for companies and tax administrations.

One of the fundamental tasks of the safe harbour regime is to create conditions for transparency of tax transactions in the context of multinational enterprises. Establishing clear criteria for the application of the regime helps to avoid ambiguity in the interpretation of tax rules, which is an important factor for international business. Predictability of tax consequences within safe harbours is achieved by defining specific parameters of transactions, such as permissible price ranges or profitability. This transparency in turn reduces the information asymmetry between taxpayers and tax authorities. With clear rules, taxpayers can assess their transactions in advance, minimising the risk of error or non-compliance. At the same time, the tax authorities have a tool for operational control without having to carry out a detailed analysis of each transaction, thus reducing the administrative burden.

The safe harbour regime simplifies the transfer pricing administration process, especially for typical or low-risk transactions such as intra-group services, financing or profit sharing. Simplification is achieved by removing the requirement to provide detailed documentation for eligible transactions (Melnychenko, 2020). This will allow taxpayers to focus their resources on their core business activities without having to spend significant time and money preparing complex justifications.

An important aspect is that simplified administration has a positive impact not only on taxpayers but also on tax administrations. The clear parameters of the scheme allow tax administrations to focus their resources on controlling high-risk transactions, thereby increasing the efficiency of control activities. This approach helps to optimise the interaction between business and government, minimising the administrative burden on both sides.

One of the main problems of the transfer pricing system is the high level of conflict between taxpayers and tax authorities, due to the complexity of the rules and the ambiguity of their interpretation. The safe harbour regime largely solves this problem as its application is based on clearly defined conditions, which minimises subjectivity during audits. By meeting the safe harbour criteria, taxpayers are assured that their transactions will not be challenged by the tax authorities, reducing the risk of disputes. The tax authorities, in turn, can focus their efforts on more complex transactions, reducing the number of misunderstandings with businesses. This mechanism helps build trust between the parties and promotes a favourable tax environment.

All these aspects are interrelated and create a synergy in the functioning of the safe harbour regime. Tax transparency contributes to administrative simplification, as the clarity of the criteria reduces the number of reviews and justifications. Simplified administration, in turn, reduces the level of conflict between business and government and ensures stability and predictability of tax rules.

The role of safe harbours in the transfer pricing system is therefore much more than a technical tool. It is a comprehensive mechanism that simultaneously addresses the challenges of ensuring transparency, optimising administration and reducing conflict, which are prerequisites for stable economic development and increasing the country's investment attractiveness.

4 International Experience in Implementing the Safe Harbour Regime

The international experience of implementing the safe harbour regime illustrates the diversity of approaches to its adaptation in different countries depending on their economic conditions, institutional environment and tax policy. From advanced economies such as the United States, which pioneered the application of safe harbour rules, to developing countries such as Brazil or India, each jurisdiction has developed unique models that meet its national interests.

Studying international experience is important to understand how different countries use this regime to strike a balance between protecting the tax interests of the state and creating favourable conditions for business. An analysis of such practices makes it possible to identify key success factors and potential risks in the implementation of safe harbours. This experience can be a source of valuable lessons for countries that are just beginning to adapt the concept, including Ukraine, which is seeking to integrate into the international business community.

The United States of America was one of the first countries to introduce a safe harbour mechanism into the transfer pricing system. Their experience is a model of stable and practical regulation that allows for a balance between the needs of tax authorities and the interests of taxpayers. The concept of safe harbour rules in the United States is aimed at creating predictable conditions for fulfilling tax obligations, simplifying administration and reducing the risk of tax disputes.

The US safe harbour rules were developed for low-risk intra-group transactions, such as the provision of services or loans between related parties. In particular, the rules cover administrative, accounting, legal services, as well as intra-group financing, which constitute a significant part of the operations of multinational corporations.

The safe harbour rules set out specific parameters that transactions must meet in order to qualify. For example, the arm's length principle is applied to administrative services, but standardised profitability ratios are used instead of detailed market analysis. This reduces the burden on taxpayers and tax authorities. The use of the US safe harbour rules is voluntary for taxpayers. Companies can choose to comply with the safe harbour rules or use standard transfer pricing procedures with more in-depth analysis. This gives companies the flexibility to choose an approach that suits their specific circumstances (Myskin, Skoryk & Paranytsia, 2024). The safe harbour rules avoid complex transfer pricing justifications by replacing them with established profitability ranges for typical transactions. This approach greatly simplifies administration, reduces documentation costs and minimises audit risk.

The consequences of the introduction of safe harbour rules in the US tax system are as follows:

1) Reduction of administrative burden. The implementation of the safe harbour rules allowed the tax authorities to focus their resources on reviewing complex and risky transactions. This has contributed to an increase in the efficiency of control over multinational corporations.

2) Reduction of tax disputes. The introduction of clear criteria and standards reduced the level of conflict between businesses and tax authorities. Taxpayers who complied with the safe harbour rules received guarantees that their transactions would not be challenged.

3) Stimulation of the investment climate. Predictability and transparency of the safe harbour regime have made the US more attractive to multinationals seeking to reduce regulatory risks and ensure the stability of their operations.

The US experience shows that the introduction of a safe harbour regime can be an effective tool for improving tax administration and promoting economic development. Clarity of rules, voluntariness and transparency of the regime are key success factors that can be adapted in other countries, taking into account their national characteristics.

In the European Union, the application of the safe harbour regime has become particularly important in the context of tax harmonisation and ensuring uniform rules for multinational enterprises. EU transfer pricing policy aims to create a transparent and fair tax environment that minimises the risk of tax evasion and promotes the development of a single economic area.

The European Union, as an integration union, seeks to ensure that national tax systems are in line with European standards. In the field of transfer pricing, the main efforts are aimed at adapting the OECD Guidelines to the legislative acts of the EU Member States, to:

– The Directive on Double Taxation Dispute Resolution Mechanisms (Directive on Double Taxation Dispute Resolution Mechanisms, 2017/1852);

– Anti-Tax Avoidance Directive (ATAD), which provides for the fight against aggressive tax planning.

The safe harbour is one of the tools to simplify the administration of transfer pricing under these Directives and to ensure predictability and transparency of tax transactions.

The Netherlands, for example, is known for its tax innovations, including the use of safe harbour principles. The country applies standardised profitability bands to certain categories of transactions, such as intra-group financial services and royalties. This allows taxpayers to avoid complex transfer pricing justification procedures and reduces administrative burdens.

In Germany, the safe harbour regime applies to low-risk services such as administrative and consulting services. The establishment of fixed profitability ratios for such transactions is in line with European requirements and reduces the number of audits.

Poland and other countries in the region are actively adapting European directives to their national circumstances. In Poland, there are safe harbours for intra-group loans, with clear limits on interest rates in line with market conditions. This is an effective mechanism against aggressive tax planning.

Practice shows that harmonisation of the safe harbour regime with EU directives can do the following:

– Ensure uniform rules for multinational corporations within a single economic space;

– reduce the risks of tax disputes between Member States due to the consistency of approaches to transfer pricing;

– increase predictability for business, which helps to attract investment.

Despite the positive effect, EU countries face several challenges in harmonising the safe harbour regime, including the need to adapt to national economic conditions, which can vary significantly across the EU. There is a problem of harmonising profitability ranges that take into account the specificities of local markets and the level of competition (Poiedynok, 2023).

The peculiarities of the implementation of the safe harbour regime in developed economies, such as Japan and Australia, reflect the desire of these countries to create effective and, at the same time, adaptable mechanisms for tax regulation. The high level of economic development, the significant role of multinational companies and the desire to harmonise with international standards determine the specificities of the regime in these jurisdictions.

In Japan, the implementation of the safe harbour concept takes place in the context of Japan's deep integration into the international economic system and the emphasis on maintaining the competitiveness of national companies. In particular, the Japanese model focuses on ensuring the stability of intra-group transactions by standardising criteria for low-risk transactions. Fixed limits on administrative services and intra-group loans allow companies to avoid complex justification procedures and reduce administrative burdens. At the same time, the Japanese tax system provides a high level of control over compliance with established parameters, which ensures compliance with the arm's length principle and minimises the risk of tax evasion.

As one of the leading economies in the Asia-Pacific region, Australia is actively adapting international transfer pricing standards to domestic conditions. Its approach to implementing the safe harbour regime is characterised by an emphasis on transparency and predictability of tax procedures. The Australian mechanism provides for the establishment of clear indicators, such as profitability for intra-group services or interest rates for financial transactions, which reduces the need for complex economic analysis. The Australian Taxation Office actively works with companies under the scheme, providing access to detailed guidance and advice, which increases the level of trust between the parties.

In both countries, the balance between simplifying tax administration and ensuring tax transparency is important. In both Japan and Australia, the safe harbour regime applies to typical and low-risk transactions, allowing the tax authorities to focus their resources on analysing more complex cases. At the same time, considerable attention is paid to monitoring the effectiveness of the regime to avoid potential abuse.

What is unique about these countries' approaches is their ability to adapt international recommendations to local circumstances. This not only ensures compliance with OECD principles, but also takes into account the specificities of national economic realities. This approach demonstrates the flexibility of the safe harbour regime and its role in maintaining the stability of tax rules in the context of high economic activity and globalisation. The experience of Japan and Australia can be a useful guide for other countries seeking to implement effective transfer pricing mechanisms (Smit & Bright, 2020).

The introduction of a safe harbour regime for transfer pricing is undoubtedly an important tool for optimising tax administration and minimising the risk of disputes between tax authorities and taxpayers. International experience shows that approaches to the implementation of this concept vary considerably depending on national conditions, levels of economic development and specificities of tax systems. In this context, a comparative analysis of the effectiveness of safe harbour regimes in different countries is necessary to identify the strengths and weaknesses of each model and to develop recommendations for adapting best practices (Table 2).

Comparative analysis shows that the implementation of safe harbours in different countries depends on their economic priorities, the level of development of their tax systems and sectoral specificities. Developed economies such as the United States, Germany and the Netherlands have a high level of compliance with international standards, but face the problem of limited adaptability to new economic challenges. At the same time, developing countries such as Brazil are achieving administrative simplification, but are often faced with insufficient harmonisation with OECD recommendations.

It is important for Ukraine to take into account the experience of these countries, focusing on the balance between transparency, simplification of procedures and compliance with international standards. The choice of the optimal model of safe harbours should be based on national economic characteristics and business needs, ensuring stability and predictability of tax regulation.

5 Conclusions

The transfer pricing safe harbour therefore plays a key role in creating a transparent and predictable tax environment. Its implementation is based on the international standards developed by the OECD, which aim to simplify tax administration, reduce the level of conflict between companies and authorities and minimise the tax risks of intercompany transactions. An analysis of global practices shows that the successful implementation of this system depends on the adaptation of its main provisions to the specificities of national economic conditions, legal frameworks and institutional environments.

The experience of developed countries such as the United States, Germany and Australia illustrates the effectiveness of adapting international recommendations to local realities, ensuring a balance between the fiscal interests of the state and the economic freedom of business. At the same time, developing countries demonstrate the

Table 2 Comparison of the advantages and disadvantages of safe harbour approaches in key jurisdictions

No	Country	Advantages and disadvantages	
		Advantages	Disadvantages
1	USA	– The clarity and transparency of the safe harbour rules provides predictability for taxpayers; – significant simplification of documentation for low-risk transactions; – the voluntary nature of the regime allows taxpayers to choose the best approach.	– Applies only to a limited list of transactions (administrative services, intercompany loans); – high dependence on profitability standards that do not always consider industry specifics.
2	Netherlands	– Flexibility in determining the parameters of safe harbours, considering industry-specific features. – highly effective in attracting multinationals due to stable and transparent rules.	– Potential risk of tax evasion due to insufficient detail of some criteria. – the focus on large businesses may create unequal conditions for small and medium-sized enterprises.
3	Germany	– Standardised approaches to low-risk services that significantly reduce the administrative burden; – high level of compliance with international OECD standards.	– High complexity of procedures in case of going beyond the established parameters; – insufficient adaptability of the regime to new economic conditions, particularly the digitalisation of business.
4	Brazil	– A simple system for setting profitability ranges that can be easily integrated into local tax practices; – high level of acceptance by the business community due to clear rules.	– Limited consistency with OECD recommendations, which may create barriers to integration into the global economy; – failure to consider the specifics of many sectors of the economy due to universal approaches.
5	Australia	– Focus on transparency and predictability in intra-group transactions; – active involvement of tax authorities in providing advice and support to businesses.	– The regime covers a limited number of transactions, which reduces its overall impact on the tax system; – complexity of implementation for industries that are not included in the list of low-risk transactions.

Source: compiled by the author

potential difficulties in integrating universal safe harbour mechanisms due to insufficient institutional readiness and limited resources. For Ukraine, these lessons are particularly valuable as the national tax system is in the process of transformation and harmonisation with international standards.

The introduction of a safe harbour regime in Ukraine could become an effective tool to improve the efficiency of tax regulation by optimising transfer pricing administration and reducing the administrative burden on business. However, this requires a comprehensive approach, including the adaptation of OECD recommendations, the development of specific rules, the creation of a technical framework for monitoring, and active engagement with the business community. Successful implementation of these measures will allow Ukraine to strengthen its position in the global economy, ensure stable tax revenues and create favourable conditions for investment development.

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