

TABLE 3: CURRENT AND PREFERRED TRANSFER PRICING METHODS

PANEL A: TRANSFER PRICING METHODS CURRENTLY USED BY RESPONDENTS

	US TNCs		Canadian TNCs		Total	
MARKET METHODS	24	39%	18	64%	42	47%
Sales in US\$ millions	10,322		1,504		6,543	
OTHER METHODS	38	61%	10	36%	48	53%
Sales in US\$ millions	5,025		1,528		4,296	
TOTAL	62	100%	28	100%	90	100%
Sales in US\$ millions	7,075		1,512		5,345	

Wilcoxon 2 sample test probability .0478*

* Significant at alpha = .10

PANEL B: PREFERRED TRANSFER PRICING METHOD GIVEN U.S. SECTION 482 "BEST METHOD" RULE

	US TNCs		Canadian TNCs		Total	
CUP	17	27%	14	50%	31	34%
Cost plus	16	26%	7	25%	23	26%
Resale price	10	16%	4	14%	14	16%
Profit split	8	13%	1	4%	9	10%
CPM	11	18%	2	7%	13	14%
TOTALS	62	100%	28	100%	90	100%

Wilcoxon 2 sample test probability .0721*

* Significant at alpha = .10

* Limited to Canadian TNCs with U.S. subsidiaries
 ** Limited to U.S. TNCs with Canadian subsidiaries
 NOTE: Other studies used all Canadian and U.S. TNCs, regardless of subsidiary location