



Transfer Pricing and Bush School (GBS) Students

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Howdy! Since 2007, I have been teaching a graduate seminar **MGMT 663 International Transfer Pricing** in the Mays Business School at Texas A&M University, which is cross-listed in the Bush School as INTA 663 and in Economics as ECON 663. **The course is open to masters and PhD students and to senior undergraduates in 4+1 or 3+2 graduate programs in all three departments/colleges.**

What is transfer pricing? It's the setting of prices for transactions that move between or among affiliates of a multinational enterprise (MNE); examples include technology transfers from a parent firm to a foreign subsidiary, business services provided by one affiliate to a sister affiliate, and intermediate goods moving along the value chain within a vertically integrated MNE. More than 40% of international trade world-wide moves through MNE affiliates. Transfer pricing can be highly controversial because it affects where MNE profits are declared and taxes are paid; see for example, recent newspaper reports about income shifting and taxes paid by MNEs such as Google, Microsoft and Amazon.

What do students do after studying transfer pricing? More than 275 graduate students have studied transfer pricing with me to date. We call ourselves the **TRANSFER PRICING AGGIES**. About 50-60% have gone on to careers in transfer pricing, primarily with the Big Four consulting firms, but also with other accounting and consulting firms, industry, government agencies/departments, banks and law firms. Another 20% have gone into related careers in tax, valuation and finance. Most of my former students work in the United States, but many also work in countries as diverse as Australia, China, India, Ireland, Mexico and Scotland. Masters students with no prior work experience typically start at the consultant/associate level; those with relevant work experience or two graduate degrees typically start at the senior consultant/associate level.

Transfer Pricing Module: Bush School students can complete a **Transfer Pricing Module** by selecting the following courses as electives or core courses during the two years of their regular Bush School degree program.

- **INTA/ECON/MGMT 663 Transfer Pricing** (required core course.)
- **ACCT 647 Financial Statements Analysis** (Necessary for reading financial statements. Note ACCT 640 is a prerequisite, but most GBS students go directly into ACCT 647 without a background in accounting.)
- **One course on International Business** (e.g., INTA 629 Multinational Enterprises, MGMT 679 International Business Policy, ECON 617 Economics of the Multinational Firm or MGMT 680 Business and Corporate Strategy).
- **One "depth" course in a functional area relevant to transfer pricing** (e.g., INTA 625 International Trade Policy, ACCT 646 International Accounting, FINC 645 International Finance or FINC 641 Valuation).

Might this career be right for you? The skill set needed for a successful career in transfer pricing, in addition to a love of solving puzzles and the courses listed above, includes the following hard and soft skills:

- Economics—Useful courses are microeconomics, international trade, public finance and/or industrial organization.
- Finance – CFA level I or level II is very helpful, especially for transfer pricing of financial transactions.
- Quantitative skills – statistics, advanced EXCEL, econometrics (undergrad and/or graduate level).
- Soft skills such as team building, leadership, foreign languages, PPT presentation skills.
- Excellent oral (both speaking and listening) and written English skills are a MUST. Most (but not all) U.S. firms will hire foreign students, but ONLY if they have excellent written and oral English skills. Students with poor English skills should look at jobs outside of the United States or specialize in areas where English speaking and writing are less necessary such as econometrics, financial analysis or big data.

When is the course? Two sections are offered in Fall 2017 (601: MW 2:20-3:50; 602: MW 4:30-6:00). The course will NOT be offered in Spring 2018. Please contact Ms. Janeen Wood in the INTA Department to register for the course. There are enrolment caps. Entry decisions are based on the student's program, background and interest.

More info: (1) <http://www.voxprof.com/eden/eden-transfer-pricing.html> (2) <http://www.linkedin.com/in/LorraineEden> (3) Google "transfer pricing." (4) Make an appointment to see me at leden@tamu.edu. My office hours in Fall 2017 are Mondays and Wednesdays 10 am to noon in 415D Wehner and 6:00-6:30 pm in 181 Wehner or by appointment.