EXHIBIT 2
Glossary

■ **Inbound product:** The tangible asset moving from an outside country into the United States. The costs to produce the product usually include both tangible and intangible costs.

■ **Inbound transfer price:** From the U.S. perspective, the price charged by the foreign entity to the U.S. entity for the transfer of goods, services, or intangibles. Based on the rules in IRC section 482, the price should yield results for the transaction that are consistent with the results that would have been realized if uncontrolled taxpayers had engaged in the same transaction under the same circumstances (known as the arm's-length standard).

■ **Advanced pricing agreement (APA):** An agreement between the IRS and a taxpayer on the transfer pricing methodology to be used in allocating income, deductions, credits, or allowances between two or more organizations or businesses controlled by the same interests. The APA program is designed as an alternative dispute resolution process that supplements the traditional administrative, judicial, and treaty mechanisms for resolving transfer pricing issues.

■ **Competent authority:** U.S. citizens or residents can request assistance from the U.S. competent authority if they think that the actions of the United States, a treaty country, or both, are causing a tax situation not intended by the treaty between the two countries.

■ **Outbound transfer price:** From the foreign entity's perspective, the price charged by the foreign entity to the U.S. entity for the transfer of goods, services, or intangibles. Based on the rules in IRC section 482, the price should yield results for the transaction that are consistent with the results that would have been realized if uncontrolled taxpayers had engaged in the same transaction under the same circumstances (known as the arm's-length standard).