

# Summary of Changes

In response to the feedback received from the procurement community since the release of Version 2022-1 of the Practitioner’s Guide for Procurement Pricing (“Guide” or “Pricing Guide”), the following table provides details of the changes made in Version 2023-1, including additional updates made to align the Guide and the Supply Manual ([PN-154](#), [155](#) & [156](#)) for formalization purposes.

**Comments and Questions:** Please provide any comments and questions to the Procurement Support Services Sector – Pricing and Professional Accounting Practices Group. Email: [TPSGC.padgamtp-appbjpm.PWGSC@tpsgc-pwgsc.gc.ca](mailto:TPSGC.padgamtp-appbjpm.PWGSC@tpsgc-pwgsc.gc.ca)

Change Summary Version 2023-1		Released: August, 2023
The following are key changes made to the Guide to address the feedback received since the release of Version 2022-1, as well as administrative changes to align the Guide, the Supply Manual (Mainly Chapter 4 &10) and Standard Acquisition Clauses and Conditions (SACC) Manual.		
Summary of Changes	Guide Section	
<b>Pricing Approach</b> <ul style="list-style-type: none"> <li>Clarification - Incentives are used only when added value is created in the contract</li> </ul>	Section 2.2	
<b>Engaging Expert Advice</b> <ul style="list-style-type: none"> <li>Updated the conditions triggering the mandatory use of a Price Support Directorate advisor to align with <a href="#">Directive on the Use of Cost and Price Analysis Services</a></li> </ul>	Section 3.2	
<b>Basis of Payment</b> <ul style="list-style-type: none"> <li>Added the link to Annex 2.4: <a href="#">Characteristics of Acquisitions Program Procurement Complexity Levels</a> of the Supply Manual</li> <li>Guidance on the consistent use of fixed price and firm price basis of payment</li> </ul>	Section 4.1	
<b>Fixed Price</b> <ul style="list-style-type: none"> <li>Guidance on the consistent use of fixed price and firm price basis of payment</li> <li>Added reference to the general Audit clause section in the General Conditions (Section 3) of the SACC Manual in the following clauses : <a href="#">2010A</a>, <a href="#">2010B</a>, <a href="#">2010C</a>, <a href="#">2015A</a>, <a href="#">2029</a>, <a href="#">2030</a>, <a href="#">2035</a> and <a href="#">2040</a></li> <li>Added reference to new clause <a href="#">C8000C</a> with a fixed price basis of payment</li> </ul>	Section 4.1.1	
<b>Fixed Time/Unit Rate</b> <ul style="list-style-type: none"> <li>Revised definition of fixed time/unit rate</li> <li>Add reference to new clause <a href="#">C8001C</a></li> <li>Clarified when to use fixed time/unit rate</li> <li>Clarified what kind of validation is required for non-competitive contracts</li> </ul>	Section 4.1.2	
<b>Cost Reimbursable</b> <ul style="list-style-type: none"> <li>Removed the reference to the Incentive section</li> <li>Added reference to a new audit clause <a href="#">C1004C</a></li> </ul>	Section 4.1.3	
<b>Basis of Payment Terminology Changes for French Version</b> <ul style="list-style-type: none"> <li>Updated terminology : Tarif <a href="#">fixe</a> → Tarif <a href="#">forfaitaire</a></li> </ul>	Throughout the Guide	



<b>Cost Reimbursable with No Fee</b> <ul style="list-style-type: none"> <li>Added reference to SACC Manual clause <a href="#">C0201C</a></li> </ul>	Section 4.1.3.1
<b>Cost Reimbursable with A Fixed Fee</b> <ul style="list-style-type: none"> <li>Revised the definition of cost reimbursable with a fixed fee</li> <li>Added reference to SACC Manual clause <a href="#">C0202C</a></li> </ul>	Section 4.1.3.2
<b>Cost Reimbursable with Target Cost/ Incentive Fee</b> <ul style="list-style-type: none"> <li>Clarified this basis of payment provides cost control incentives</li> <li>Added reference to SACC Manual clauses <a href="#">C8002C</a>, <a href="#">C8003C</a>, <a href="#">C8004C</a>, and <a href="#">C8005C</a></li> <li>Clarified <a href="#">C6000C</a> must be used for cost reimbursable with target cost/incentive fee with maximum</li> </ul>	Section 4.1.3.3
<b>Cost Reimbursable with Fee Based on Actual Costs</b> <ul style="list-style-type: none"> <li>Revised definition of cost reimbursable with fee based on actual costs</li> <li>Added reference to SACC Manual clause <a href="#">C0205C</a></li> <li>Clarified actual costs incurred should be determined by SACC Manual 1031-2 and Costing Standard</li> </ul>	Section 4.1.3.4
<b>Provisional Price Basis of Payment</b> <ul style="list-style-type: none"> <li>Added reference to SACC Manual clause <a href="#">C0300C</a></li> <li>Guidance on provisional price basis of payment validation based on stakeholders' feedback</li> </ul>	Section 4.1.4
<b>Economic Price Adjustments (EPAs) and Foreign Currency Adjustments (FCAs)</b> <ul style="list-style-type: none"> <li>Revised the definition of EPAs and FCAs</li> <li>Clarified when to use EPAs and FCAs with reference to SACC Manual clauses</li> <li>Clarified EPA or FCA must be agreed upon during negotiation of the initial or base year contract price</li> </ul>	Section 4.2
<b>Ceiling Price and Limitation of Expenditure</b> <ul style="list-style-type: none"> <li>Revised the definition of limitation of expenditure</li> </ul>	Section 4.3
<b>Incentives</b> <ul style="list-style-type: none"> <li>Clarified the timing to use incentives in competitive and non-competitive contracts</li> <li>Remove "cost reimbursable with target cost/ incentive fee" from the types of incentives</li> </ul>	Section 4.4
<b>Technical Performance Incentives</b> <ul style="list-style-type: none"> <li>Guidance on the technical performance incentive requirements to differentiate from those of schedule performance incentives</li> <li>Added reference to new pricing incentives clauses <a href="#">C8006C</a></li> </ul>	Section 4.4.1
<b>Schedule Performance Incentives</b> <ul style="list-style-type: none"> <li>Clarified when to use schedule performance incentives</li> <li>Added reference to new pricing incentives clauses <a href="#">C8007C</a></li> </ul>	Section 4.4.2
<b>Award Fees</b> <ul style="list-style-type: none"> <li>Clarified when to use award fees</li> <li>Clarified award fees are earned by meeting predetermined criteria</li> <li>Added reference to new pricing incentives clauses <a href="#">C8008C</a></li> </ul>	Section 4.4.3
<b>Pricing Principles</b> <ul style="list-style-type: none"> <li>Updated the links to the Supply Manual for special circumstances that are exceptions from using the Pricing Principles</li> </ul>	Section 5.0
<b>Commercial Pricing</b> <ul style="list-style-type: none"> <li>Added reference to the general Audit clause section in the General Conditions (Section 3) of the SACC Manual in the following clauses : <a href="#">2010A</a>, <a href="#">2010B</a>, <a href="#">2010C</a>, <a href="#">2015A</a>, <a href="#">2029</a>, <a href="#">2030</a>, <a href="#">2035</a> and <a href="#">2040</a></li> </ul>	Section 5.0.2
<b>Principles for Establishing the Cost Base</b> <ul style="list-style-type: none"> <li>Added reference to the new audit clause <a href="#">C1004C</a></li> </ul>	Section 5.1



<b>Contract Cost Principles, SACC 1031-2</b> <ul style="list-style-type: none"> <li>Added examples of when to use SACC 1031-2 for determination of negotiate price or rate</li> </ul>	Section 5.1.0
<b>Profit Principles</b> <ul style="list-style-type: none"> <li>Clarified that the total allowable amount of profit must be the lower of calculated profit rate and 16% of the total contract costs</li> </ul>	Section 5.2
<b>Return on Working Capital Employed</b> <ul style="list-style-type: none"> <li>Updated the clauses for the applicable rates used for the calculation of return on working capital employed</li> </ul>	Section 5.2.1.1
<b>Return on Fixed Capital Employed</b> <ul style="list-style-type: none"> <li>Revised the explanation of the fixed rate of 1% in the return on fixed capital employed formula</li> <li>Updated the clauses for the applicable rates used for the calculation of return on fixed capital employed</li> </ul>	Section 5.2.1.2
<b>Negotiated Profit Element: General Business Risk</b> <ul style="list-style-type: none"> <li>Clarified government furnished materials and contract issue materials are not included in direct materials</li> <li>Added overhead examples</li> <li>Revised the definition of pass through costs and examples</li> </ul>	Section 5.2.2
<b>Negotiated Profit Element: Contractual Risk</b> <ul style="list-style-type: none"> <li>Clarified the risk factor of the program maturity include the level of establishment of products, services, processes and tasks</li> <li>Removed socio-economic benefits programs from contractual risk factors</li> </ul>	Section 5.2.3
<b>Alternative Pricing Strategies</b> <ul style="list-style-type: none"> <li>Clarified alternative approaches should pursue better value to Canada with revised examples</li> </ul>	Section 5.3
<b>Firm Price</b> <ul style="list-style-type: none"> <li>Editorial revisions to consistent use of fixed price and firm price basis of payment</li> <li>Added reference to the general Audit clause section in the General Conditions (Section 3) of the SACC Manual in the following clauses : <a href="#">2010A</a>, <a href="#">2010B</a>, <a href="#">2010C</a>, <a href="#">2015A</a>, <a href="#">2029</a>, <a href="#">2030</a>, <a href="#">2035</a> and <a href="#">2040</a></li> </ul>	Annex 1
<b>Costing Standard</b> <ul style="list-style-type: none"> <li>Added a new subsection – Strategic Innovation Fund Repayment</li> <li>Updated the subsection – Government Supplied Materials (GSM) to clarify GSM are not included in direct materials. No profit is allowed on these materials.</li> </ul>	Annex 2
<b>Cost Management</b> <ul style="list-style-type: none"> <li>Updated the reference to general audit clause and Audit section in SACC Manual General Conditions</li> <li>Added the new clause <a href="#">C1004C</a> in the key audit and validation related clauses</li> </ul>	Annex 2C
<b>Contact Information</b> <ul style="list-style-type: none"> <li>Updated the name of the Pricing and Professional Accounting Practices Group</li> </ul>	Annex 3
<b>Discussion Paper - Liquidated Damages</b> <ul style="list-style-type: none"> <li>Added guidance to assess the reasonability of the rate of liquidated damages</li> </ul>	Annex 5.2.3
<b>Discussion Paper – Sales and Marketing</b> <ul style="list-style-type: none"> <li>Removed the ITB examples</li> </ul>	Annex 5.3.1
<b>Discussion Paper – Research and Development Costs</b> <ul style="list-style-type: none"> <li>Removed the ITB examples</li> </ul>	Annex 5.3.6

<p><b>Discussion Paper – Risk and Cost Considerations for Socio-Economic and Environmental Benefits Policies and Program</b></p> <ul style="list-style-type: none"> <li>• Under review - To clarify the costing approach in regards of different socio-economic and environmental benefits policies and programs</li> </ul>	Annex 5.3.7
<p><b>Profit Determination Template</b></p> <ul style="list-style-type: none"> <li>• Revised instructions to clarify the use of the template</li> <li>• Added signature area for completion, amendment, and review of the template</li> <li>• Added a “Decision Tree” tab for the selection of necessary tabs to complete profit calculation of capital employed</li> <li>• Set up macro functions in the “Total Profit” tab for return on capital employed calculation</li> <li>• Clarified the contract profit rate must not exceed 16% of the total contract costs</li> </ul>	Annex 6.1
<p><b>Applicable Rates for Profit Determination Table</b></p> <ul style="list-style-type: none"> <li>• Added the links to the sources of the applicable monthly rates for calculation of return on capital employed</li> <li>• Posted the calculated monthly rates on BuyandSell website for contracts starting September 2023 and onwards</li> </ul>	Annex 6.2
<p><b>Contractual Risk Assessment Tool</b></p> <ul style="list-style-type: none"> <li>• Removed socio-economic benefits programs from the contractual risk factor in the tool</li> </ul>	Annex 6.3
<p><b>Glossary</b></p> <ul style="list-style-type: none"> <li>• Added a new annex for definitions of the key terms used in the Guide</li> </ul>	Annex 7



# Annex: Summary of Changes for Previous Versions

The following table provides details of the changes in guidance introduced in each phase of the Guide. This change summary was previously released January 20, 2022.

Phase 1		Released: February 8, 2019
Key changes introduced in Phase 1 include guidance on the consideration of pricing throughout the acquisition lifecycle and recommendations from a contract management perspective on timing, documentation, and option analysis, such as pricing strategically and aligning pricing to the procurement objectives.		
Change Summary	Reference:	
<b>Fixed price basis of payment</b> <ul style="list-style-type: none"> <li>Introduction of a fixed price basis of payment to address concerns and challenges with the current application of the firm price basis of payment and the discretionary audit clause.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Section 4.1.1: Fixed Price</a></li> <li><a href="#">Annex 1: Firm Price Basis of Payment</a></li> </ul>	
<b>Provisional price basis of payment</b> <ul style="list-style-type: none"> <li>New basis of payment introduced with parameters that allow for changes in pricing and basis of payment within a contract based on knowledge and experience gained over time.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Section 4.1.4: Provisional Price Basis of Payment</a></li> </ul>	
<b>Guidance on use of incentives</b> <ul style="list-style-type: none"> <li>Guidance and tools introduced on the use of incentives to increase understanding on when incentives are beneficial and how they can be incorporated into the contract price.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Section 4.4: Incentives</a></li> </ul>	
<b>Costing Standard</b> <ul style="list-style-type: none"> <li>New costing guidance to complement Standard Acquisitions Clauses and Conditions (SACC) Contract Cost Principles 1031-2 and provide criteria (Attributable, Appropriate and Reasonable) to assess the acceptability of a cost.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Annex 2: Costing Standard</a></li> </ul>	
<b>Costing Standard: Taxes</b> <ul style="list-style-type: none"> <li>Proposed changes to the treatment of tax refunds/credits/Investment Tax Credits with consideration for the application of credits to related contract costs.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Annex 2: Costing Standard, Subsection 4.17: Taxes</a></li> </ul>	
Phase 2		Released: December 12, 2019
Key changes introduced in Phase 2 include further process guidance on Section 4 of the Guide as it relates to Basis of Payment and Incentives, as well as new discussion papers on complex costing areas.		
Change Summary	Reference:	
<b>New Discussion Papers</b> that provide information on the potential impact of complex costing areas on overall contract costs and price and provide direction and techniques on assessing acceptability of the costs.  <b>Discussion Paper: Asset Valuation</b> <b>Discussion Paper: Transfer Pricing</b> <b>Discussion Paper: Production Capacity and Indirect Costs Allocation</b> <b>Discussion Paper: Research and Development</b>	<ul style="list-style-type: none"> <li><a href="#">Annex 5.3.3</a></li> <li><a href="#">Annex 5.3.4</a></li> <li><a href="#">Annex 5.3.5</a></li> <li><a href="#">Annex 5.3.6</a></li> </ul>	
Phase 3		Released: December 2020
Phase 3 provides new guidance and tools for the determination of a contract price when market prices are not available and negotiated pricing is required. This includes clarity on how cost-based pricing works, and guidance to enhance consistency in the application of pricing and profit principles to support the delivery of best value in negotiated contract prices.		
Change Summary	Reference:	



<p><b>Contractual Risk Factor</b></p> <ul style="list-style-type: none"> <li>• New guidance related to the assessment of contractual risk for a contract and impacts the resulting contractual risk profit rate.</li> <li>• Clarification on the Industrial Technological Benefits (ITBs) policy considerations that can impact the contractual risk of a procurement.</li> <li>• Introduces new <b>Contractual Risk Assessment Tool</b></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Section 5.2.3: Negotiated Profit Element: Contractual Risk</a></li> <li>• <a href="#">Annex 6.3: Contractual Risk Assessment Tool</a></li> </ul>
<p><b>Profit Determination Template</b></p> <ul style="list-style-type: none"> <li>• New template that provides instructions and schedules to support and document the determination of contract profit in accordance with the <a href="#">Section 5.2 (Profit Principles)</a>.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Annex 6.1: Profit Determination Template</a></li> </ul>
<p><b>Profit Threshold</b></p> <ul style="list-style-type: none"> <li>• Overall profit threshold for negotiated cost-based pricing revised to 16% to better represent the current financial environment and maximum risk scenarios.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Section 5.2: Profit Principles</a></li> </ul>
<p><b>Return on Capital Employed</b></p> <ul style="list-style-type: none"> <li>• Revisions to the determination of return on Capital Employed to address concerns related to the complexity of the determination process and relevancy of factors used within the calculations. Including the following: <ul style="list-style-type: none"> <li>○ Modified financial rates representative market conditions, averaged to reduce the impact of significant market fluctuations;</li> <li>○ Revised dollar value thresholds for applicability of simplified capital employed calculations from under \$250,000 to under \$1 million; and</li> <li>○ New simplified tier in fixed capital employed for contracts greater than \$1 million and lower than \$20 million with lower capital intensity requirements.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Section 5.2.1: Negotiated Profit Element: Capital Employed</a></li> </ul>
<p><b>Alternative Pricing Principles</b></p> <ul style="list-style-type: none"> <li>• Enhanced guidance to ensure principles and processes are clear for situations where alternatives to cost-based pricing may generate better value.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Section 5.3: Alternative Pricing Principles</a></li> </ul>
<p><b>Discussion Paper: Baseline Profit Methodology</b></p> <ul style="list-style-type: none"> <li>• Introduction of the baseline profit methodology for consideration and comments. This methodology relies on average industry profit and earnings data to establish a base for the development of profit in a contract.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Annex 5.4.2</a></li> </ul>
<p><b>Discussion Paper: Industrial and Technological Benefits - Value Proposition Cost Considerations</b></p> <ul style="list-style-type: none"> <li>• Discussion Paper that provides direction related to cost considerations of Value Propositions.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Annex 5.3.7</a></li> </ul>
<p><b>Version 2022-1</b> <span style="float: right;"><b>Released: January 20, 2022</b></span></p>	
<p>Version 2022-1 provides changes made to the Guide to address the feedback received from stakeholder consultations, as well as administrative changes to align the Guide and the Supply Manual (mainly <i>Chapter 10 - Cost and Profit</i>).</p>	
<p><b>Change Summary</b></p>	<p><b>Reference:</b></p>
<p><b>Basis of Payment Terminology Changes for French Version</b></p> <ul style="list-style-type: none"> <li>• Updates to the French basis of payment terminology to align with the terminology proposed in the updated Basis of Payment and Incentive SACC clauses. Guidance and intent of the SACC clauses remains the same. Terminology impacted are as follows: <ul style="list-style-type: none"> <li>○ Fixed Price (“<i>Prix fixe</i>” to “<i>Prix forfaitaire</i>”)</li> <li>○ Fixed Time/Unit Rate (“<i>Taux horaire/unitaire fixe</i>” to “<i>Taux horaire/unitaire forfaitaire</i>”)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Throughout the Guide</li> </ul>
<p><b>Fixed Price Basis of Payment</b></p> <ul style="list-style-type: none"> <li>• Additional context on audit related clauses provided based on stakeholder feedback.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Section 4.1.1</a></li> </ul>
<p><b>Pricing Principles</b></p>	<ul style="list-style-type: none"> <li>• <a href="#">Section 5.0</a></li> </ul>

<ul style="list-style-type: none"> <li>Based on stakeholder feedback, clarified the pricing principles section. Revised guidance includes: <ul style="list-style-type: none"> <li>New figure to aid in the determination of the applicability of Pricing Principles;</li> <li>Commercial Pricing and link to new Section 5.0.2; and</li> <li>Addition of links to the relevant Supply Manual sections for special circumstances that are exceptions to the Pricing Principles.</li> </ul> </li> </ul>	
<p><b>Commercial Pricing</b></p> <ul style="list-style-type: none"> <li>New section to provide detailed guidance on commercial pricing based on stakeholder feedback.</li> </ul>	<ul style="list-style-type: none"> <li>Section 5.0.2</li> </ul>
<p><b>Contract Cost Principles, Standard Acquisition Clauses and Conditions (SACC) 1031-2</b></p> <ul style="list-style-type: none"> <li>New section to provide detailed guidance on Contract Cost Principles SACC 1031-2, to address feedback from stakeholder consultation.</li> </ul>	<ul style="list-style-type: none"> <li>Section 5.1.0</li> </ul>
<p><b>Profit Principles</b></p> <ul style="list-style-type: none"> <li>The “Exceptions to Profit Principles in Negotiated Contracts” for Canadian Commercial Corporation (CCC) contracts removed, as all contracts with the CCC must be placed in accordance with the procurement practices, policies, and procedures of the Government of Canada.</li> </ul>	<ul style="list-style-type: none"> <li>Section 5.2</li> </ul>
<p><b>Negotiated Profit Element: Contractual Risk</b></p> <ul style="list-style-type: none"> <li>Expansion of the Industrial and Technological Benefits (ITB) Policy Consideration sub-factor in Contractual Risk to broader Socio-Economic Benefits Programs and Policy Considerations. Key areas impacted: <ul style="list-style-type: none"> <li><a href="#">Table 5.2.3.b: Explanation of Contractual Risk Factors</a></li> <li><a href="#">Table 5.2.3.c: Key Questions to Ask in the Assessment of Contractual Risk</a></li> </ul> </li> <li><i>Other socio-economic benefits programs and policies for consideration in this section will be under consultation in subsequent iterations of the Guide.</i></li> </ul>	<ul style="list-style-type: none"> <li>Section 5.2.3</li> </ul>
<p><b>Firm Price Basis of Payment</b></p> <ul style="list-style-type: none"> <li>Additional clarifications on the use of discretionary audit clauses for commercial goods and/or services provided based on stakeholder feedback.</li> </ul>	<ul style="list-style-type: none"> <li>Annex 1</li> </ul>
<p><b>Costing Standard</b></p> <ul style="list-style-type: none"> <li>Updates made to the Costing Standard include: <ul style="list-style-type: none"> <li>Re-organization of section and inclusion of a table of contents to make the Section more user friendly;</li> <li>Introductory text added to provide more direction and context on use of this Annex;</li> <li>Revisions to existing Costing Standard sub-sections as well as the addition of new sub-sections for alignment to the Supply Manual; and</li> <li>Additional guidance on costing that enhances and replaces guidance found in the corresponding Supply Manual sections: <ul style="list-style-type: none"> <li><a href="#">Annex 2A: Costing Process,</a></li> <li><a href="#">Annex 2B: Contract Costing Rates, and</a></li> <li><a href="#">Annex 2C: Cost Management.</a></li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Annex 2</li> </ul>
<p><b>Discussion Papers</b></p> <ul style="list-style-type: none"> <li>Based on stakeholder feedback, the order and numbering of <a href="#">Annex 5: Discussion Papers</a> has been modified to group Annexes according to the topic. <ul style="list-style-type: none"> <li><a href="#">Annex 5.1 Background: Contract Pricing in Canada</a></li> <li><a href="#">Annex 5.2 Performance Management Discussion Papers</a></li> <li><a href="#">Annex 5.3 Costing Discussion Papers</a></li> <li><a href="#">Annex 5.4 Pricing Discussion Papers</a></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Annex 5</li> </ul>
<p><b>Discussion Paper – Liquidated Damages</b></p> <ul style="list-style-type: none"> <li>New Annex to provide guidance on Liquidated Damages based on stakeholder feedback.</li> </ul>	<ul style="list-style-type: none"> <li>Annex 5.2.3</li> </ul>



<p><b>Costing Discussion Papers</b></p> <ul style="list-style-type: none"> <li>• Modifications to various Costing Discussion Papers to align to the proposed Supply Manual update. Impacted Discussion Papers include: <ul style="list-style-type: none"> <li>○ <a href="#">Annex 5.3.2 Discussion Paper – Executive Compensation and Bonus</a></li> <li>○ <a href="#">Annex 5.3.4 Discussion Paper – Transfer Pricing</a></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Annex 5.3</li> </ul>
<p><b>Discussion Paper – Asset Valuation</b></p> <ul style="list-style-type: none"> <li>• An additional example provided in the recommendations section to provide clarity on the use of different asset valuation methods, based stakeholder feedback.</li> </ul>	<ul style="list-style-type: none"> <li>• Annex 5.3.3</li> </ul>
<p><b>Discussion Paper – Transfer Pricing</b></p> <ul style="list-style-type: none"> <li>• Addition of a link to the new <a href="#">Costing Standard sub-section 4.19</a> for Transfer Pricing to align to the proposed Supply Manual update.</li> <li>• Additional context provided on the use of the Organization for Economic Co-operation and Development (OECD) Transfer Pricing Guidelines to address stakeholder feedback.</li> </ul>	<ul style="list-style-type: none"> <li>• Annex 5.3.4</li> </ul>
<p><b>Discussion Paper – Research and Development Costs</b></p> <ul style="list-style-type: none"> <li>• Revisions to the Discussion Paper to align to the proposed Supply Manual update. <ul style="list-style-type: none"> <li>○ <a href="#">Appendix B – Treatment of General Research &amp; Development (R&amp;D) vs. Specific Product Development and/or Improvement Costs</a></li> </ul> </li> <li>• Note added regarding Investment Tax Credits. <i>The topic will be under consultation in subsequent iterations of the Guide.</i> <ul style="list-style-type: none"> <li>○ <a href="#">Appendix A – Factors to consider before accepting R&amp;D Costs</a></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Annex 5.3.6</li> </ul>
<p><b>Discussion Paper – Industrial and Technological Benefits – Value Proposition Cost Considerations</b></p> <ul style="list-style-type: none"> <li>• Editorial revisions to this Discussion Paper based on stakeholder feedback.</li> </ul>	<ul style="list-style-type: none"> <li>• Annex 5.3.7</li> </ul>