Preparing transaction documents for controlled transactions between Latvian residents

The arm's length principle under section 4(2)(2)(e) of the CIT Act provides that for CIT purposes taxpayers should check whether all transactions (including with Latvian-resident related parties) for the financial year are arm's length.

It is therefore worth preparing a transaction document that will serve as a TP policy and allow you to accurately determine fees the parties should earn from entering into their related-party transaction.

How we can help you:

- Assessing the economic substance and preparing a detailed description of your transaction (including a proposed one)
- Preparing a functional analysis of your transaction
- Assessing your comparables to determine applicable fees according to the economic substance of your transaction

How you benefit:

- Your TP policy for transactions between Latvian-resident related parties can be used at group level and local company level.
- You have a sense of security and defensible TP.
- Your CIT base is correctly determined.

Contacts

PwC transfer pricing team

+371 6709 4400

lv_transfertcenas_info@pwc.com