Preparation of transfer pricing documentation

Section 15.2 of the Taxes and Duties Act requires taxpayers to show in certain cases that their controlled transactions are arm’s length by preparing specified information in their transfer pricing (TP) documentation.

This requirement gives:

- Legal certainty to the taxpayer, as the amount of information to be filed with the tax authority is known;
- Preliminary information to the tax authority for checking whether the taxpayer has understated the tax burden by entering into related-party transactions that are not arm’s length.

The OECD’s TP guidelines recognise that TP is not an exact science and requires good judgement from both the tax authority and the taxpayer.

How we can help you:

- Preparing or revising your Master File, Local File or simplified TP documentation
- Assessing the presence and relevance of the prescribed amount of information

How you benefit:

- Your TP documentation shows that your controlled transactions are arm’s length.
- The findings of your TP documentation can help you handle any questions or differences of opinion with related parties or minority shareholders.
- Your TP documentation can provide useful information on your related-party transactions in the case of an audit by other supervisory authorities.

Contacts

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