



TAX
ADVISORY

Tax Alert No. 237/28.10.2021



Year end is the time to fulfill transfer pricing obligations for FY 2020

The deadline for meeting FY 2020 transfer pricing obligations has been extended by 3 months and falls on **December 31, 2021**.

Taxpayers should prepare and report to meet the legal requirements. Failure to file a statement or transfer pricing information form (TP-R) or filing them late or with information inconsistent with the facts, **may trigger penal and fiscal liability** and a fine of up to PLN 27 million.

TP obligations:

- **LOCAL TRANSFER PRICING DOCUMENTATION (LOCAL FILE) + BENCHMARKING ANALYSIS**

The local file should contain all obligatory elements. Consistently, **transfer pricing analysis is a mandatory item of the transfer pricing documentation** also for 2020. The analyses are in general valid for 3 years. Therefore, most analyses prepared by taxpayers for the first time for the purpose of fulfilling their transfer pricing obligations in 2019 or 2018 could expire. This is an excellent opportunity to check whether yours are up-to-date.

- **TRANSFER PRICING INFORMATION (TP-R)**

The TP-R form must be filed via ePUAP platform with the head of National Tax Administration. It includes information from transfer pricing documentation and benchmarking analyses. The FY 2020 form has a new format.

- **STATEMENT ON THE PREPARATION OF TP DOCUMENTATION AND ON THE ARM'S LENGTH CHARACTER OF IC-TRANSACTIONS**

Taxpayers must file a statement and declare not only the fact that they have transfer pricing documentation prepared, but also **declare that the prices applied in transactions with related entities are arm's length**. The statement is signed by members of the Management Board electronically. Make sure your company has a valid ePUAP access.

- **COUNTRY-BY-COUNTRY REPORTING**

Remember also to submit the CBCR (Country-by-Country Report) form until December 31, 2021.

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Given the wide range of transfer pricing obligations, in particular the need to prepare benchmarking analysis and fill in an updated and more detailed TP-R form, **this is your final call to start working on transfer pricing obligations.**

If you are interested in obtaining further information, or would like to discuss the impact of the above on your business activity please contact:

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or your MDDP adviser.

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