

Individuals are also required to submit the TPR Form - deadline 31 January!

• 26 January 2024 •

Transfer pricing documentation and reporting obligations **may also arise for individuals**. If such obligations have occurred for 2022, the TPR form must be submitted by 31 January 2024. In our experience, individuals often forget about this obligation, and failure to comply can result in a fine of up to PLN 34 million.

When do TP obligations arise for individuals?

The Personal Income Tax Act (similarly to the Corporate Income Tax Act) indicates that transfer pricing obligations arise in the case of:

- 1) engaging in transactions with **related entities**, where the total net value in a given tax year exceeds:
 - **PLN 10 million** – in the case of goods or financial transactions (in a financial transaction, the value of the capital/amount of guarantee is compared to the indicated statutory threshold), or
 - **PLN 2 million** – in the case of service transactions or a transaction not mentioned above (including e.g. capital transactions).
- 2) engaging in transactions with **entities from so-called tax havens – related or unrelated** – where the total net value in a given tax year exceeds:
 - **PLN 2.5 million** – in the case of financial transactions, or
 - **PLN 0.5 million** – in the case of transactions other than financial transactions.

Important:

To determine the value of transactions, the values of all homogeneous transactions are summed up.

If you have carried out such transactions with related parties or entities from so-called tax havens (e.g., Monaco, Hong Kong) and have not yet fulfilled your transfer pricing obligations for the 2022 tax year, or would like to ensure you do not have such obligations, please urgently contact:

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or your advisor from MDDP. Together with the MDDP Transfer Pricing Team, we can support you in identifying and fulfilling the indicated tax obligations.

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