

February 2022

## The upcoming deadline for Master File in Poland

Due to the COVID-19 pandemic, the deadline for attaching group transfer pricing documentation (Master File) to local documentation (Local File) in Poland for 2020 has been extended to the end of the third month counting from the day following the day on which the (extended) deadline for filing the transfer pricing documentation statement expired.

**Therefore, we would like to remind you that for taxpayers whose tax year ended on 31 December 2020, the deadline for preparing or attaching the master file for 2020 will be 31 March 2022.**

### Group transfer pricing documentation (Master File):

#### KEY INFORMATION ABOUT THE MASTER FILE DOCUMENTATION

The Master File documentation is a set of information presenting related entities and transactions within a capital group. Its purpose is, among others, to disclose information about the group's transfer pricing policy.

Pursuant to Article 11q (2) of the CIT Act, a Master File should contain the following elements regarding the group of companies:

- description of the group;
- description of significant intangible assets of the group;
- description of significant financial transactions of the group;
- financial and tax information about the group.

Detailed information on the elements of the Master File was presented in the Ordinance of the Minister of Finance of December 21, 2018 on transfer pricing documentation with respect to corporate income tax (and PIT respectively).

#### WHO IS OBLIGED TO DRAW UP A MASTER FILE

Entities meeting **all the following cumulative conditions** are required to prepare a Master File:

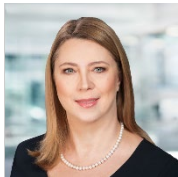
- they are obliged to prepare the Local File and
- they belong to a group of related entities for which consolidated financial statements are drafted (using the full consolidation method or the pro-rata method), and
- their consolidated revenue in the past fiscal year exceeded the amount of PLN 200,000,000 or its equivalent.

The legislation allows either to prepare a Master File documentation (for those taxpayers who are obliged to prepare a Local File) or to **use a Master File prepared by another entity belonging to the capital group.**

#### MASTER FILE PREPARED BY ANOTHER GROUP ENTITY

**When the Master File is prepared by another group entity, it is advisable to:**

- verify whether the analyzed documentation meets the requirements set out in the mentioned Article 11q of the CIT Act, as well as
- analyze its contents in terms of the data and information presented in the Local File documentation in order to eliminate possible discrepancies that could raise

	the interest of the tax authorities at the audit stage.
<b>MASTER FILE IN ENGLISH</b>	According to the regulations, the Master File can be drawn up in English, but it is important to remember that the tax authority has the right to request the group transfer pricing documentation to be submitted in Polish within 30 days of the delivery of the request.
<b>TPA POLAND'S SUPPORT</b>	<p>Should you have any questions or doubts regarding the preparation of group transfer pricing documentation (Master File), please do not hesitate to contact our experts. Our support includes:</p> <ul style="list-style-type: none"> <li>■ <b>preparation of</b> Master File in cooperation with the entities from the capital group</li> <li>■ <b>verification of</b> Master File in terms of compliance with applicable regulations as well as conditions applied to transactions presented in local transfer pricing documentation</li> <li>■ <b>adjustment of</b> Master File received from the group in terms of the requirements set out in Polish tax legislation.</li> </ul>
<b>This document was prepared for informational purposes only and is of a general nature. Every time before taking action on the basis of the presented information, we recommend obtaining a binding opinion of TPA Poland experts.</b>	
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