

Nearing deadlines for fulfilling documentation and reporting obligations in the area of transfer pricing for 2021

There is little time left to meet the deadlines related to transfer pricing for 2021, so as to avoid the risk of facing penalties and sanctions for a failure to meet obligations.

It is important to remember that the responsibility for a failure to comply with transfer pricing obligations **rests with the company as a taxpayer, as well as with the members of the board of directors responsible for complying with the obligations.**

Applicable deadlines:

LOCAL FILE, TP-R FORM FOR 2021

The deadlines for **drawing up transfer pricing documentation, TPR information and the statement on having prepared local transfer pricing documentation**, which were postponed in June this year, expire respectively:

- **on September 30, 2022** – in the case of taxpayers whose original deadline (i.e., 9 months after the end of the tax year) would have expired in the period from January 1, 2022 to June 30, 2022,
- **on December 31, 2022** – in the case of taxpayers whose tax year corresponds to the calendar year, and
- **in the case of other taxpayers** for whom the original deadline (i.e., 9 months after the end of the fiscal year) would expire between July 1, 2022 and December 31, 2022, **the final extended deadline should be examined on a case-by-case basis (the original deadline was extended by 3 months).**

MASTER FILE FOR 2021

According to the current regulations, taxpayers have time to draw up/enclose the transfer pricing documentation to the local group documentation **until the end of the third month from the day following the day when the deadline** to submit the statement on preparing local transfer pricing documentation expired.

In practice, **for the majority of taxpayers whose tax year corresponds to the calendar year**, this means that the deadline for preparing group transfer pricing documentation is **March 31, 2023**.

In the case of other taxpayers, the deadline should be examined on a case-by-case basis (e.g., in the case of a taxpayer whose deadline for drawing up the documentation is September 30, 2022, the new deadline for attaching the master file is December 31, 2022).

RECOMMENDATIONS

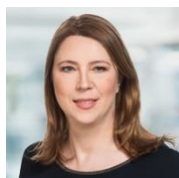
We recommend taking action as soon as possible to verify and fulfill transfer pricing obligations with respect to 2021.

After all, one must remember that 2021 continued to be a peculiar year in terms of transfer pricing due to, i.a.:

- the continuing global COVID-19 pandemic in 2021 and its impact on the economy and certain industries, which may invalidate previously prepared analyses of benchmarking data, including those for 2020. (i.e., the year when the COVID-19 pandemic began). This is because the impact of the pandemic on the reported 2021 often may have been different than on the preceding 2020,
- expiry of the validity of benchmark analyses prepared by taxpayers for 2018;
- provisions that require verification of indirect haven transactions. It should be noted that the current regulations are still in effect, and in order for this to change and the planned repeal to occur, a full legislative process is necessary, which would have to be completed before the deadline for meeting transfer pricing obligations.

CONTACT US

This document has been prepared for information purposes only and covers general nature. Before taking any action based on the above information, we recommend that you obtain a valid opinion of TPA experts.



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