

Transfer Pricing Alert

February 2023

Tax
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Deadlines for fulfilling documentation and reporting transfer pricing obligations for 2022

As the result of the changes introduced in the provisions of the PIT and CIT Act, there are new statutory deadlines for fulfilling the transfer pricing documentation and reporting obligations in the area of transfer pricing for 2022.

At the moment, the Legislator has not decided to extend the deadlines for fulfilling these obligations, as it was in the previous years.

The deadlines for 2022 are as follows:

LOCAL TRANSFER PRICING DOCUMENTATION (LOCAL FILE)

The deadline for preparing local transfer pricing documentation is **10 months after the end of the tax year**, which in practice means that for most taxpayers (i.e., those whose year ended on December 31, 2022) expires on October 31, 2023.

Thus, the deadline for preparing local transfer pricing documentation is shorter this year than in previous years.

STATEMENT ON THE PREPARATION OF TRANSFER PRICING DOCUMENTATION AS PART OF THE TPR-C FORM

The key change in transfer pricing reporting is waiving separate reporting i.e. submitting a separate statement on the preparation of transfer pricing documentation and the arm's length nature of the applied prices.

The statement for 2022 will be an integral part of the TPR-C form.

In addition, the statement contained in the TPR-C will confirm not only the arm's length nature of the transaction, but also that the local transfer pricing documentation has been **prepared in accordance with the actual state.**

TPR-C FORM FOR 2022

The deadline for submitting **information on transfer pricing (TPR-C) containing a statement on the preparation of transfer pricing documentation** is **11 months after the end of the tax year**, which in practice means that for most taxpayers (i.e., those whose year ended on December 31, 2022) expires on November 30, 2023.

The TPR-C information should be submitted to the relevant head of the tax office for the taxpayer, and not to the Head of the National Revenue Administration (KAS) as before.

In addition, the TPR-C information will contain additional elements compared to previous versions of the form, including, but not limited to, requirement to supplement an additional financial ratio, i.e., the share of operating costs with related entities in the entity's operating costs.

GROUP TRANSFER PRICING DOCUMENTATION (MASTER FILE) FOR 2022

Pursuant to the applicable regulations, taxpayers have time to prepare/attach group transfer pricing documentation (Master File) to the local documentation by the **end of the twelfth month after the end of the tax year** – if the obligation is confirmed.

In practice, for most taxpayers whose year ended on December 31, 2022, this means that the deadline expires on **December 31, 2023.**

RECOMMENDATION

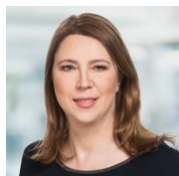
We recommend taking action now to verify and fulfill the documentation and reporting obligations for 2022.

Planning the works in advance seems to be necessary as:

- there is still a need to analyze the impact of **the COVID-19 pandemic and other economic and geopolitical events (such as the war in Ukraine, the energy crisis in Europe, rising inflation or interest rate increases)** on the economic environment and the validity of benchmarking analyses. The analysis may lead to conclusions on the need to prepare new benchmarking analyses (it should be remembered that the CIT Act indicates that: "the benchmarking analyses *and the conformity analyses should be updated at least every 3 years, unless a change in the economic environment significantly affects the prepared analysis and requires updating in the year of the change*");
- expiration of benchmarking analyses prepared by taxpayers for the purposes of documentation for 2019;
- a new TPR-C form for 2022, containing a statement on the preparation of transfer pricing documentation, and new additional reporting elements.

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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