

# Transfer Pricing Alert

February 2023

Tax  
Law  
Audit  
Advisory  
Accounting



## The upcoming deadline for group transfer pricing documentation (Master File) for 2021

The deadline for the group transfer pricing documentation (Master File) for 2021 has been extended to the end of the third month after the day on which the (extended) deadline for TP statement expired.

**Thus, we would like to remind you that for taxpayers whose tax year ended on December 31, 2021, the deadline for the Master File for 2021 will expire on March 31, 2023.**

### 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 PREPARE A MASTER FILE

Taxpayers meeting **jointly all the following 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 prepared (*using the full consolidation method or the proportionate method*), and
- the group's consolidated revenues exceeded the amount of PLN 200,000,000 or its equivalent in the previous **fiscal year**.

The provisions allow to prepare a Master File documentation or **to use a Master File prepared by another entity belonging to the capital group**.

#### MASTER FILE PREPARED BY ANOTHER GROUP ENTITY

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

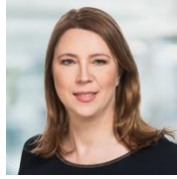
- verify whether the analyzed documentation meets the requirements set out in the Article 11q of the CIT Act, as well as
- analyze its content in terms of the data and information presented in the Local File documentation in order to eliminate possible discrepancies that may raise the interest of the tax authorities during the tax audit.

#### MASTER FILE IN ENGLISH

According to the regulations, the Master File may be prepared in English, but it is important to remember that the tax authority has the right to request the submission of the group transfer pricing documentation in Polish within 30 days of the delivery of the request.

**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.**

## CONTACT US



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