

Transfer Pricing Unit  
Organisation for Economic Co-operation and Development

By email: [transferpricing@oecd.org](mailto:transferpricing@oecd.org)

27 September 2013  
Our ref: WJID/AL/LS

Dear Sirs

## Transfer pricing documentation

Thank you for the opportunity to comment on Action 13 of the OECD's Action Plan on Base Erosion and Profit Shifting ('BEPS') and the White Paper on Transfer Pricing Documentation (the 'White Paper').

The G8 Summit in Lough Erne in June 2013 resulted in the directive to 'develop a common template for country-by-country reporting to tax authorities' to address the widely-perceived need to provide 'big picture' information to allow tax authorities to understand the wider context of a taxpayers' transactions.

The OECD's Base Erosion and Profit Shifting ('BEPS') Action Plan focusses on this objective. Action 13 sets out to 'develop rules on transfer pricing documentation to enhance transparency for tax administrations, taking into consideration the compliance costs for business.'

The OECD's objective to assist tax authorities with maximising the efficient use of their limited resources when reviewing the transfer pricing of multinational organisations is important. There is also an opportunity for businesses: providing better information to tax authorities can reduce time and associated compliance costs spent on preparing documentation and audits where there is little likelihood of a transfer pricing adjustment that is sustainable under a double tax treaty.

The provision of information should assist a tax authority's ability to assess the risk of base erosion and profit shifting, or lack of risk, in relation to transfer pricing. The key is to ensure that the information provided is relevant, clearly targeted and, most importantly, brief, so that tax authorities can focus minimum resources on reviewing papers. It is also essential that a global standard template for this big picture information is agreed to ensure that tax authorities have access to the same information, whilst keeping the compliance burden on businesses proportionate to tax authorities' objectives. A significant aspect will be to ensure confidentiality of information and also to ensure that it is not used for inappropriate enquiries. The OECD should encourage tax authorities to follow its guidance in this area in order to realise the potential benefits to tax authorities and tax payers of a common approach. Transfer pricing documentation is of such global importance to tax authorities and businesses that the OECD should prepare a handbook for tax authorities addressing how documentation requirements should be approached.

Given the early stage of the proposals in the White Paper, our comments are focused on appropriate and useful information at stages in the process, and set out areas for further consideration. Detailed comments on specific paragraphs of the White Paper have not been provided at this stage, but we would be happy to do so if requested.

## **Purpose of transfer pricing documentation requirements**

The question of the purpose of transfer pricing documentation is an important one to raise, and now is the right time for it to be considered on a global, rather than national, basis. In response to the G8 Directive and Action 13 of the BEPS Action Plan, the OECD White Paper proposes a staged approach to transfer pricing documentation, in particular to address weaknesses in the current unilateral approach to information.

The White Paper sets out three different potential reasons for governments to require the creation and submission of transfer pricing documentation:

- i. to allow tax authorities to conduct an informed risk assessment;
- ii. to ensure that taxpayers have given appropriate consideration to transfer pricing in their tax returns;
- iii. to provide all the information that might be required for a thorough transfer pricing audit.

Different types of information will be required to best meet each of these objectives.

Undertaking a risk assessment requires a high level understanding of the wider picture, whereas a full transfer pricing audit will require very detailed information on a specific transaction or transactions. There are concerns that routinely requesting detailed information at the outset does not help tax authorities as resource constraints mean that important issues are swamped and not picked up. It is also the case that a high documentation burden, when requested routinely for all businesses, may result in taxpayers applying the 'ad hoc materiality and risk screens' referred to in the White Paper (paragraph 43).

Tax authorities will normally need to undertake a risk assessment in relation to transactions, or have access to sufficient information to conclude that a previous risk assessment remains valid, but under the principles of risk assessment an audit should only be required where the facts indicate an adjustment is likely to be needed. Provided a tax authority has sufficient information to conclude on this point, it should not be necessary to invest taxpayer and tax authority resources in compiling and reviewing the entirety of the transfer pricing undertaken by a business. A tiered approach to transfer pricing has the potential to provide these different types of information to tax authorities in the most useful format and at the most appropriate time.

For the first time, the combination of 'big picture' information and the OECD's Draft Transfer Pricing Risk Assessment Handbook means that there is a clear opportunity for the OECD to take the lead in standard setting on documentation requirements. To date, documentation requirements have been set by national governments, often on the introduction of transfer pricing rules and based on the full information needed to conclude a transfer pricing audit; there are many variations of documentation required as a result. One consequence of this is the potential for 'gaps' in tax authorities' understanding of multinational's transfer pricing, and another is difficulties if/when disputes get to Mutual Agreement Procedures process where documentation presented to the two authorities differs due to national laws and practice. For these reasons, now is the appropriate time for the OECD to prepare a new handbook for tax authorities and businesses, setting out guidance on appropriate levels and types of transfer pricing documentation. This handbook should encourage the streamlining of information requirements to those which increase tax

authorities’ understanding of the intra-group transactions, the transfer pricing analysis concerning those transactions and/or augment their ability to target in-depth transfer pricing audits to ensure best use of tax authority resources. This is designed to reduce the level of resource and associated cost required by tax authorities to obtain the information needed and in particular to make effective transfer pricing risk assessment decisions. A corresponding saving will be realised for businesses, who can then focus their resources on providing good-quality information which is most useful to tax authorities.

A tiered approach should not limit the meaningful assessment by companies of their transfer pricing position that documentation was initially intended to encourage, but should free businesses to invest time in appropriate assessment rather than complying with administrative requirements which do not enhance the tax authority’s understanding of the business or its associated risks.

**A tiered approach to transfer pricing documentation**

In order to meet with the twin objectives of providing useful, relevant information to tax authorities for the assessment of transfer pricing risk and adjustments and simplification of documentation requirements, our suggestion is that the OECD handbook for tax authorities on transfer pricing documentation outlines the following:

|      | <i>Description of information</i>  | <i>When</i>   |
|------|--|---|
| i.   | <p>‘Global Information Template’ (see Appendix I).</p> <p>A common template to share ‘big picture’ information with tax administrations in a format that does not place an undue cost burden on business.</p>  | Submitted to tax authorities annually   |
| ii.  | <p>‘Transfer Pricing File’ (see Appendix II).</p> <p>After reviewing the information provided in the Global Information Template, alongside discussions with the business and considering other factors as outlined in the OECD’s Draft Transfer Pricing Risk Assessment Handbook, a tax authority may conclude that the level of transfer pricing risk is such that they request further local entity specific information, in the form of a ‘Transfer Pricing File’.</p> <p>A key feature is to provide the most useful information in a common, simplified format which is resource-effective for tax authorities to use, provides the same information to tax authorities on either side of a transaction, and is also cost-effective for business to produce. For some businesses, a ‘masterfile’ approach (on a global or regional basis) will best suit their business model, so an optional simplified masterfile option should be available as an alternative (see Appendix III).</p> | <p>Taxpayers must prepare annually</p> <p>Submitted on request from the tax authorities</p> |
| iii. | <p>Additional detailed, specific information</p> <p>Where a tax authority assesses that the risk of a transfer pricing audit is sufficiently high (in line with the Draft Transfer Pricing Risk Assessment Handbook) to warrant an audit, additional detailed information can be requested as part of the audit process. This information should not have a prescribed format, order, or be part of a pre-prepared file. It would, however, be information that a business would be expected to keep in order to establish that its inter-company pricing is arm’s length.</p>   | On request from the tax authorities as part of a transfer pricing audit                     |

Each of these tiers is discussed in further detail below.

## Global Information Template

The benefits to tax authorities of receiving 'big picture' information at an early stage have been recognised by the OECD in the Action Plan on BEPS and by the G8. Inter alia, such information will aid tax authorities in identifying those businesses where it is most appropriate to focus their tax resources.

Businesses have legitimate concerns in relation to the information that will be provided to all tax authorities that the OECD should address. These are:

- 1) There will need to be safeguards to ensure that business-sensitive and tax information remains confidential.
- 2) The OECD should explicitly state that the information should be used in conjunction with other information and factors, in line with the OECD Transfer Pricing Risk Assessment Handbook and discussions with the business, and not as a reason for 'fishing expeditions' with no basis in the principles of transfer pricing as set out in the OECD's Transfer Pricing Guidelines. (This would of course run contrary to the move towards a risk-assessment approach to transfer pricing).

Appendix I includes a proposed draft template for the provision by a group of global information. A key feature of the Global Information Template is sharing high level, useful information in as simple a format as possible.

The template provides a 'standardised format focusing on high level information on the global allocation of profits and taxes paid' and includes the:

'...comprehensive and relevant information on the financial position of multinational enterprises'

as referred to in the G8 Communique from June 2013. It also includes all of the information specified in Action 13 of the OECD's BEPS Action Plan, specifically the:

'...requirement that MNE's provide all relevant governments with needed information on their global allocation of the income, economic activity and taxes paid among countries, according to a common template.'

Each group would be required to provide the information set out in Appendix I on a country by country basis and the Global Information Template would be provided to all tax authorities in countries in which the group operates.

The Global Information Template is the first tier of information provided to tax authorities and would provide an overview of the group's profile, including some key features which may indicate the presence or significance of transfer pricing risk (e.g. profit relative to employment information in comparison to other group companies). It will not, by its nature, provide information that determines whether arm's length pricing has been applied, and the OECD should explicitly say this in its guidance. Nor will it be sufficient, on its own, for tax authorities to conclude their transfer pricing risk assessment in respect of that taxpayer.

The information required should be limited to that which will inform a risk assessment by tax authorities in order to stop it becoming more voluminous, and therefore of potentially lower quality as well as less useful to the tax authorities. For example, providing information on the number of employees and levels of salary costs allows tax authorities to determine whether the workforce consists of a small number of highly qualified individuals or large numbers of lower-paid employees. This type of information allows consideration of the likely distinctions between 'volume' and 'value creation' geographically within the multinational group.

Information provided in the Global Information Template may be based on unaudited data that the business already has available, and should not be required to include consolidation adjustments or reconciliation to statutory accounts (to do so would not assist with providing useful information as inter-company amounts would be eliminated, and would also place an unacceptable additional administrative burden on businesses). In addition, the common template approach should allow for straightforward, practical adaptations of existing business information, such as:

- Aggregation of entity or division results by country
- Divisional country by country information, where this is appropriate to an organisation's business model
- Rounding appropriate to the business's size
- Currency of the business's choosing
- No cross referencing to statutory accounts or tax returns.

Groups may wish to include information on the approach taken to prepare the information. This should be through tick box options where possible with an optional narrative box to describe the reason for any variations. Please see Appendix I for a draft illustration.

Some flexibility should be allowed for groups to optionally present information in a way which mirrors their business model and which would be useful to tax authorities. This may include the option to aggregate on a divisional basis first, perhaps with a further information page aggregating the divisions. Whilst this would mean that a tax authority may see information on 5 divisions in their country, this may be more useful than a global approach alone. The approach taken should be documented on the Global Information Template.

The Global Information Template should also include a voluntary narrative box to include additional useful information the group may wish to disclose. This would include any further details which would assist the tax authority to understand the compulsory information provided. Examples might be comments on key value drivers within the global business, existing or in-negotiation Advance Pricing Agreements or any other relevant information. This information should be limited to a maximum of a pre-determined box on the form (we suggest half a page of A4) and no supplementary pages should be included. This will ensure taxpayers are not tempted to 'swamp' tax authorities with information (one of the challenges expressed in relation to current transfer pricing documentation requirements) and also will limit individual tax authorities seeking unilaterally to extend the information to be provided beyond that agreed by the OECD.

For practical reasons, the template should be completed in either English (in practice the common language of global business) or in a local language for each country page at the option of the taxpayer. Given the use of numerical data and the common template, this is unlikely to cause significant problems.

It is also perhaps appropriate to consider excluding from the Global Information Template small multinationals, for whom the administrative burden would be greatest. One option here is to use the European Union definitions of small and medium-sized entities, exempting such groups from the requirements, which is already used in tax legislation within the European Union.<sup>1</sup>

Given its purpose, the information provided in the Global Information Template should not, of itself, be subject to detailed audit by individual tax authorities but should be seen as a tool to aid their understanding of the group as a whole. The limitation on a tax authority's ability to audit this information on a standalone basis should be expressed in the OECD's guidance. That said, there is a balance here with ensuring that an organisation's information is appropriately expressed and delivered, and our

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<sup>1</sup> Annex to Commission Recommendation 2003/361/EC of 6 May 2003 (concerning the definition of micro, small and medium-sized businesses).

suggestion is that for practicality this should be the responsibility of the tax authority of the country of the head office.

It is also important that the provision of a Global Information Template should not be a replacement for dialogue between business and tax authorities but should aid tax authorities' ability to raise the most relevant questions in these discussions. Where a tax authority conducts such a risk assessment and decides that it needs further information on the transfer pricing of an entity operating within its borders, it can request that a taxpayer submit their contemporaneous documentation in the form of the 'Transfer Pricing File', discussed below. The tax authority may then decide that it is satisfied, or may proceed with an audit where it considers there to be tax at risk.

The benefits for developed countries of simplicity and 'big picture' will apply equally for developing countries. However, we note that the Global Information Template information cannot be treated as a substitute for capacity building in developing countries in respect of transfer pricing and auditing.

## **Transfer Pricing File**

### **Overview**

Following on from the BEPS Action Plan focus on the provision of useful global information in a common template, and taking into account the emphasis in the BEPS Action Plan on the cost to business, a draft 'Transfer Pricing File' is set out at Appendix II.

The Transfer Pricing File is the second tier of information that can be provided on request to tax authorities in respect of entities operating within its borders. It is a simplification of the current 'contemporaneous documentation' that is required in most countries, designed to provide useful information in a common format in as practical and manageable a way as possible.

The information will include:

- transactions entered into with related parties, including volume and name and country of the other party
- a summary functional analysis in respect of the transactions
- selection of the most appropriate transfer pricing method and rejection (with evidence) of other methods
- economic analysis, including the resulting pricing considered arm's length.

### **Consistent format**

We have included at Appendix 2 an example of how the Transfer Pricing File might look.

A key feature of the Transfer Pricing File is providing useful information in respect of the work undertaken to determine arm's length pricing in as simple a format as possible. This approach allows tax authorities to review the transfer pricing analysis quickly and easily, without committing significant resource to reviewing and analysing overly-detailed and lengthy reports.

The underlying work supporting the analyses (e.g. notes of functional analysis interviews, detailed search material including the reasons for rejection or inclusion of search results) undertaken by the business would not be provided to tax authorities as part of the Transfer Pricing File at this stage but would of course be available on request as part of an audit. Tax authorities can use the information provided in the Transfer Pricing File to determine whether it is necessary to review the underlying data as part of a formal audit and/or to identify the key questions to ask during the audit. This would also include general business information such as invoices, costs marked up, etc.

In order to ensure the list of country specific information to be included in the Transfer Pricing File is appropriate and useful further work should be undertaken to review the information currently used by tax authorities. Any survey should identify the information tax authorities find most useful and the purpose for which that information is used. Information which is currently provided by taxpayers but which is not useful to tax authorities should also be identified.

## **Common template**

A universally accepted format for providing tax authorities with an overview of the transfer pricing work undertaken would simplify the documentation preparation process for businesses and reduce costs. A common template should effectively allow taxpayers to replicate the majority (if not all) of information in relation to that transaction. As set out above, the advantage for tax authorities is the consistency of information that will reduce 'gaps' and allow for easier discussions should disputes reach Mutual Agreement Procedures. It may also be of assistance if joint audits in the area of transfer pricing become more common.

The format of the file will however need to be sufficiently flexible to be useful depending on the industry and type of business. A 'tick-box' approach is unlikely to be workable or appropriate, but guidance for tax authorities and local requirements will go a long way to ensuring the cross-border nature of transfer pricing is reflected.

The White Paper does not, at this stage, provide any assurance that local country documentation can be simplified or standardised. It will be essential for this to be dealt with by the OECD in the suggested handbook for tax authorities on documentation if business's compliance burden is to be appropriately reduced, as, in our experience, this is where costs rise disproportionately to the usefulness of information. This is discussed further in relation to the masterfile concept below. This will require some pragmatism and reasonableness to ensure it meets all needs. For example, the transfer pricing file for each entity should be prepared and held in the language of the taxpayer's choosing. If a tax authority requests the file, then a period should be allowed for translation, at the taxpayer's expense, of say 45 days if the tax authority is unable to review the file without translation. This will ensure that costs are incurred only where necessary. It would also be helpful if the OECD were to explicitly set out in its guidance that it is acceptable for transfer pricing searches to be refreshed every three to five years in most cases, with exceptions where there have been significant business or market changes that may affect pricing. Any requirements for more frequent searches are, in practice, a cost burden rather than a relevance to inter-company prices.

## **Focus on most useful information**

The White Paper acknowledges that excessive information requirements can reduce the usefulness of the information gathered and may result in relevant information being swamped by other details, which is helpful to neither tax authorities nor taxpayers. This concern is valid, particularly given that transfer pricing regimes are now in place in almost all countries, and transfer pricing documentation requirements have not kept up with the pace of this growth.

A co-ordinated approach will, in the long term, provide the best answer here, allowing focus of resources by all concerned on the technical analysis, and the OECD is best placed to persuade countries that this is something that will aid transfer pricing compliance rather than hinder it. In respect of some countries, the burden of transfer pricing compliance has become so significant that other countries have been able to make themselves more 'attractive' in terms of tax competition, particularly by offering rulings or unilateral Advance Pricing Agreements. As one of the aims of the BEPS project is to 'level the playing field', a common approach and appropriate guidance from the OECD on documentation could have a beneficial effect, and for this reason we ask the OECD to discourage outliers from the common approach.

In addition, a simplified approach to transfer pricing documentation may promote cross border trade by reducing administrative costs, particularly where these disproportionately affect small businesses.

Of course, tax authorities will retain their rights to request further information as part of an audit where there is a need e.g. in respect of specific transactions where there is a high level of risk, where the taxpayer has a history of poor compliance, etc. The simplified file concept is designed to give an appropriate level of useful information that will, in some cases but not all, be sufficient.

## **Alternative: global or regional masterfile**

The White Paper proposes a global documentation package which includes the provision of a global masterfile setting out information relevant to all countries.

In some cases a masterfile, on a global or regional basis, can be useful, but this will depend on the taxpayers' business and transactions. For example, some taxpayers may operate in a similar manner in entities in many countries, and a masterfile would provide an appropriate and helpful way of analysing and pricing the transactions concerned, on a regional or perhaps global basis. In other circumstances, the businesses in different countries may function in entirely different ways, such that a masterfile would increase costs without adding value. For these reasons, any masterfile concept should be optional for the taxpayer and an alternative to providing individual entity Transfer Pricing Files.

It is also important to note that although the theoretical benefits of a centralised documentation approach are attractive, experience in the European Union has shown that the levels of localisation required often results in businesses producing several sets of information (sometimes more than for separate local entity documentation). This increases costs significantly and is one of the reasons for the relatively low take-up of the European masterfile option. Many of the localisation requirements are necessary to meet strict local documentation rules in terms of format and content, and do not enhance the local tax authorities' ability to understand the transfer pricing analysis nor influence the transfer pricing outcome. (This is not to suggest that relevant market information and/or adjustments in relation to the pricing of transactions should be ignored). This issue may be addressed by using the approach for the Transfer Pricing File as set out above, focussing on useful, relevant information. Appendix IV sets out some examples of where localisation requirements cause excessive additional costs for taxpayers under the current masterfile system applicable in the European Union.

The White Paper sets out a comprehensive approach, which does not appear to aid simplification. Any masterfile option should focus on appropriate, relevant, information as set out in relation to the Transfer Pricing File. A masterfile approach should remain optional given the significant risk that it will become an additional cost for businesses without any benefit to tax authorities, disproportionately affecting some businesses with many varied transactions. The White Paper discusses the use of a 'masterfile' concept on a global basis, drawing on experiences of regional approaches including the Code of Conduct on Transfer Pricing Documentation for Associated Enterprises in the European Union, the Pacific Association of Tax Administrators Documentation Package and the International Chamber of Commerce. However, this is unlikely to be appropriate for all or even the majority of large businesses given divergent transactions, and therefore guidance should make clear that this should be used in appropriate cases, which may be regional or divisional rather than global.

## **Tax authority audit**

The ability of tax authorities to obtain the information needed in respect of the facts of a specific transaction will of course be preserved. Taxpayers should recognise that a common and simplified approach to documentation does not shelter them from being asked for further information. Instead, it places the emphasis on a self-assessment of liability basis, consistent with the OECD's guidance for tax authorities to take a risk-based approach to audits. A successful system will allow tax authorities to make better informed judgments when determining which cases to review and what questions to ask. In



addition, clear presentation of only relevant information may lead to a reduction in the number and length of transfer pricing audits.

Emphasis should continue to be placed on the need for efficient and timely communication between tax authorities and multinationals, at both the risk assessment and audit stages. Perceived anomalies may be readily explicable by those responsible for transfer pricing and tax compliance, which could prevent prolonging unfruitful audits or cases where adjustments are reversed under Mutual Agreement Procedures.

There is also the question of joint audits, which are currently rare even in relation to transfer pricing, but which may become more straightforward where there is commonality of approach to documentation.

If you wish to discuss any of the points raised in this letter, please do not hesitate to contact either me ([bdodwell@deloitte.co.uk](mailto:bdodwell@deloitte.co.uk)), or Alison Lobb ([alobb@deloitte.co.uk](mailto:alobb@deloitte.co.uk)).

Yours faithfully



**W J I Dodwell**  
**Deloitte LLP**

**Appendix I – Global Information common template example**

**COMPULSORY INFORMATION – INDEX PAGE**

Group name  Period   
Currency  Rounded to

| Country              | Turnover             |
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*For each country listed above, fill out a copy of the supplementary country specific form and submit with this index page.*

**Appendix I – Global Information common template example**

**COMPULSORY INFORMATION – [COUNTRY]**

Group name  Period   
Currency  Rounded to

1. Sales/Turnover   
2. Profit Before Tax   
3. Cash tax paid   
*(Include tax paid in relation to permanent establishments)*

4. Employee details:  
a. Number of employees   
b. Salary costs (including bonuses)

5. Please confirm the source and approach in preparing the data included above:

a. Local statutory accounts   
Management accounts   
Other (please specify)

b. Aggregation of data from legal entities   
Other (please specify)

c. Any further comments – e.g. aggregation/disaggregation of divisional businesses

6. List of legal entities included

**VOLUNTARY INFORMATION**

7. Further information  
*Please include any further details which you consider would assist the tax authorities in their understanding of the compulsory information provided e.g. value drivers for the business, Advanced Pricing Agreements, divisional differences etc.*

*Information should be limited to this page and no supplementary pages should be included.*

## Appendix II- Transfer Pricing File

### COMPULSORY INFORMATION

1. Entity name.
2. Territory of residence.
3. Accounting period.
4. List of transactions the entity has entered into with related parties, including:
  - a. volume;
  - b. value; and
  - c. location of the related party for each transaction.
5. Summary of the work performed to determine the arm's length price for each of the identified transactions, including:
  - a. Functional analysis in respect of:
    - i. People functions;
    - ii. Assets;
    - iii. Risks.
  - b. Selection of the most appropriate transfer pricing method;
  - c. Reason for rejection of other methods;
  - d. Economic analysis including summary of search strategy, comparable data set and arm's length price.
6. A list of safe harbour agreements entered into in respect of the transactions outlined above, including unilateral safe harbour agreements with the jurisdiction of the counterparty to the transaction.
7. A list of Advance Pricing Agreements entered into in respect of the transactions set out above including unilateral Advance Pricing Agreements with the jurisdiction of the counterparty to the transaction.

### VOLUNTARY INFORMATION

8. Further information

*Please include as an Appendix any further details which you consider would assist the tax authority to understand the information provided.*

## Appendix III- Transfer Pricing Global or Regional Masterfile

### COMPULSORY INFORMATION

1. Entity Name
2. Territory of residence
3. Accounting period.
4. List of transactions the entity has entered into with a related party, including:
  - a. volume;
  - b. value; and
  - c. location of the related party for each transaction.
5. Why is the masterfile appropriate for [Local entity and country]?  
*Please include details as to the suitability of comparables.*

*Please attach the sections of the Masterfile which are relevant to the transactions set out above.*

6. A list of the Masterfile sections included.
7. A list of safe harbour agreements entered into in respect of the transactions outlined above, including unilateral safe harbour agreements with the jurisdiction of the counterparty to the transaction.
8. A list of Advance Pricing Agreements entered into in respect of the transactions set out above including unilateral Advance Pricing Agreements with the jurisdiction of the counterparty to the transaction.

### VOLUNTARY INFORMATION

*Please include as an Appendix any further details which you consider would assist the tax authority to understand the information provided.*

## Appendix IV- Examples of localisation requirements

In order for taxpayers to prepare transfer pricing documentation as efficiently as possible, it is essential that there is consistency between documentation requirements with no variations. There are a wide range of subtle differences between the information requirements for different tax authorities. Minor variations in information requirements can result in significant increases in the time and resource required for taxpayers to meet their obligations.

- One tax authority in practice requires the file to contain a screenshot of every stage of the comparables search undertaken;
- Some tax authorities specify the exact order that transfer pricing papers must be provided in, otherwise penalties are charged.

Some tax authorities require documentation to be translated into local language in order to avoid penalties, even where the documentation is not request