



**IC Advisors Transfer pricing Newsletter  
September 2014**

***Singapore***

The Inland Revenue Authority of Singapore (“IRAS”) has issued a consultation document (“Consultation Circular”) announcing its plans to update Section 4 of the existing Singapore Transfer Pricing Guidelines. This section is concerned with the preparation and maintenance of transfer pricing documentation and the IRAS is requesting interested parties to provide comments by 24 September 2014. Specifically, the IRAS seeks public consultation on the following matters:

- Challenges anticipated in preparing transfer pricing documentation on a contemporaneous basis;
- Difficulties in ensuring the transfer pricing documentation will cover the information listed under Annex A of the Consultation Circular;
- Situations under which transfer pricing documentation may not necessarily be needed, as the perceived transfer pricing risks are low;
- Frequency of documentation updates; and
- Other areas that are not already included in the guidelines.

We are currently preparing our comments to be submitted to the IRAS and will share them with you as soon as they are available.

***India***

New guidelines regarding the selection of companies for Income Tax scrutiny (“I-T) scrutiny has been issued by the Central Board of Direct Taxes (“CBDT”). The key impact on multinational companies operating in India is that the CBDT will now adopt a risk based approach to identifying international transactions prone to tax evasion, rather than one based on values of related party transactions.

Currently, assessing officers refer every cross-border transaction above Rs 15 crore (approximately US\$ 3.5 million) to a transfer pricing officer (TPO) to ensure that related party transactions are consistent with the arm’s length standard. Going forward, a more objective criteria will be used whereby companies will essentially be picked out based on mispricing of international transactions.

A move to a risk based approach is likely to provide taxpayers operating in India with some respite from transfer pricing scrutiny.

***Upcoming Seminars***

Dr Sowmya Varadharajan will be presenting at the following seminars:

- a. China vs. India - A battle of transfer pricing regimes, on September 12, organised by ISCA
- b. Transfer pricing in Singapore, on September 19, organised by ACCA Global

If you would like to attend any of these seminars, please drop us an email at [service@icadvisorsasia.com](mailto:service@icadvisorsasia.com).