

IC Advisors Transfer pricing Newsletter
January 2014

Discussion Draft – Transfer Pricing Documentation and Country-by-Country reporting

On 30 January 2014, the OECD released an initial draft of revised guidance on transfer pricing documentation and country-by-country reporting. Interested parties may provide comments on the discussion draft by 23rd February 2014. This discussion draft corresponds to Action 13 of the Base Erosion Profit Shifting (“BEPS”) Action Plan which was released on 19 July 2013. Action 13 called for a review of the existing transfer pricing documentation rules and the development of a template for country-by-country reporting of income, taxes and economic activity for tax administrations.

Please click here to read the discussion draft

[Please create a link on **here** to the following website: <http://www.oecd.org/ctp/transfer-pricing/discussion-draft-transfer-pricing-documentation.pdf>]

Our comments:

1. When approved, this discussion draft will replace chapter 5 of the OECD’s current Transfer Pricing Guidelines
2. With the revised Chapter 5, the OECD hopes to address sufficient guidance to revising documentation requirements so as to address the concerns of both tax authorities (need for good quality information on related party transactions) and taxpayers (need for ease of compliance).
3. As detailed in Action Plan 13, this discussion draft elaborates on the concept of Masterfile (global / regional) vs. the local file. In addition, the draft also sets out in detail the items of information to be included in the local file.

The discussion draft also requests specific comments on a number of issues. We will share our comments on the discussion draft in the next newsletter.

BEPS Webcast

On 23 January 2014, the OECD organized a one-hour webcast where senior members from the OECD's Centre for Tax Policy and Administration (CTPA) will shared the latest update on the BEPS project. The organizing of this webcast is part of an effort by the OECD to be transparent to both tax authorities and taxpayers with respect to the BEPS project.

After providing an overview of the BEPS project and the measures that were envisaged in the BEPS Action Plan, detailed discussions took place on Actions 1 (tax challenges of the digital economy), Action 6 (treaty abuse) and Action 13 (transfer pricing documentation). Actions 2 (hybrid mismatch arrangements) and Action 8 (intangibles) were also covered.

The archived webcast can be found on the OECD website. <http://www.oecd.org/tax/beps-webcasts.htm> - can you provide a link to this website?

Singapore Budget 2014

The Singapore Budget will be announced by DPM Tharman Shanmugaratnam on 21 February 2014. We will provide our comments on the same once the budget has been released.