

Tax Pills

Starts the public consultation on transfer pricing documentation

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Italy's Revenue Agency will hold a public consultation on the draft Circular letter on transfer pricing documentation.

Particularly, the Agency provides a set of new clarifications in relation to the documents, mainly Master File and National Documentation that interested parties must prepared each year, suitable for enabling verification of compliance with the arm length principle of transfer prices charged by multinational companies.

Timing and technical procedures of the opened consultation - Interested parties have time starting from yesterday, 20 September, to 12 October to send their comments and proposals to the following e-mail address dc.gci.settorecontrollo@agenziaentrate.it. To facilitate the process of cataloging and examining contributions received, interested parties are invited to follow the following scheme: *Topic - Paragraph of the Circular letter - Observation - Contribution - Purpose*. Once the public consultation phase is over, the Revenue Agency will publish the comments received, with the exclusion of those containing an express request for non-disclosure.

The issues addressed in the Circular letter - The draft Circular letter provides a vast range of clarifications on the TP discipline. In particular, having reminded the reference regulatory context, it investigates, as already said, the purposes and structure of the documentation suitable to allow the verification of compliance with the arm length principle of the transfer conditions and prices applied, having regard to the contents of the documents called Masterfile and National Documentation. It illustrates the aspects concerning the documentation relating to permanent establishments and the documentation suitable for small and medium-sized enterprises. Furthermore, it clarifies the profiles connected to the forms, extent and conditions of effectiveness of the suitable documentation, as well as the aspects concerning the communication of the

possession of the suitable documentation and the documentation to be prepared if taxpayers choose the simplified approach to enhance an intragroup transaction consisting in the provision of low added value services. In conclusion, it addresses the issue related to the assessment of suitable documentation by competent supervisory bodies.

The two main documents – Shortly, the Master File contains information on the multinational group activities and global allocation of income among different entities, while the National Documentation supplements the Master File, with a focus on the domestic entity on a national level. Both document contains specific information on the peculiarities of the local entity, as well as the transfer pricing analyses related to the transactions occurring between the latter and related parties located in different jurisdictions.

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URL: <https://www.fiscooggi.it/tax-pills/articolo/starts-the-public-consultation-on-transfer-pricing-documentation>