



Corporate tax alert Belgium

Upcoming 2018 Transfer Pricing audit wave

Based on the latest available information, the 2018 TP audit wave should be launched mid-February.

Compared to last year, the 2018 TP audit wave is expected to have a greater impact for the following reasons:

- The TP audit team will join forces with the regional tax inspectors of the seven “*Grandes Entreprises / Grote Ondernemingen*” centres. In practice, the TP audit team will provide technical support on any transfer pricing issue detected during standard corporate tax audits, which could lead to an in-depth TP audit.
- In this respect, the corporate tax inspectors are currently receiving a 2-week training from the head of the TP team, specifically focusing on transfer pricing matters.
- The selected taxpayers will receive the standard TP questionnaire, which is expected to be similar to last year’s edition, with some minor modifications to reflect lessons learnt during the previous TP audit wave.
- Indicators such as volatile sales or profit margins, structural loss-making positions, significant carry forward tax losses, high debt-equity ratios, or business restructurings announced in the media would lead to increased likelihood of becoming subject to a TP audit.
- If a taxpayer is selected for an in-depth TP audit, it is crucial to ensure consistency between TP reporting that has been or will be communicated to BTA (i.e. Local file, Master file

forms and Country-by-Country report) and the answers that will be provided to tax inspectors during the audit.

Considering the above, it is strongly advisable to make sure that appropriate transfer pricing documentation is readily available at taxpayer premises.

Contacts

If you have any questions concerning the items in this alert, please contact your usual tax consultant at our Deloitte office in Belgium

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