

**Deloitte.**

## Transfer Pricing Switzerland Insights

Issue October 2014



### Related Links

[Transfer Pricing Switzerland](#)

[2014 Global Transfer Pricing Country Guide](#)

[Swiss Tax Newsletters & Alerts](#)

### Contact

**Hans Rudolf Habermacher**  
Transfer Pricing Practice  
Leader, Partner  
+41 (0)58 279 6327

**Jeroen Lemmens**  
Transfer Pricing Partner  
+41 (0)58 279 6020

### Did you know?

BEPS – The timetable for stakeholders' input is now available with details of the dates when discussion drafts will be published and public consultations held in

Dear Sir or Madam,

We are pleased to present you the latest edition of Transfer Pricing Insights – Deloitte Switzerland's bi-monthly newsletter focusing on 'hot' topics and economic related news.

### Swiss Transfer Pricing Hot Topics

#### Germany Adopts Final Version of Regulation on Attribution of Profits to Permanent Establishments

The upper chamber of Germany's Parliament on 10 October adopted the final version of the regulation on the application of the arm's length principle to permanent establishments (PEs). The new rules are applicable for all fiscal years commencing after 31 December 2014.

In comparison to the draft version of the regulation dated 5 August 2013, the German Federal Ministry of Finance has responded positively to some requests for changes made by industry associations and tax experts, in particular:

- The attribution of people functions to a PE is also possible in cases in which the PE relies on seconded personnel;
- No contemporaneous documentation requirement is introduced for the profit attribution to PEs;

relation to the 2015 BEPS deliverables.

[Read more](#)

France – The due date for taxpayers to file the transfer pricing extracts following the filing of their tax return is fast approaching. Please ensure that you comply with the 20 November 2014 deadline.

[Read more](#)

- No assignment of people functions to a PE when those functions are performed in that location only for a short period of time (less than 30 days);
- The simplification of the attribution of macro hedging transactions;
- The avoidance of the retroactive application of the new rules.

Taxpayers with PEs in Germany should take action and check whether their international profit attribution is in line with the new detailed German rules.

An extensive examination of the regulations is available [here](#).

## Singapore Releases Proposed New Guidelines on Transfer Pricing Documentation

The Inland Revenue Authority of Singapore (IRAS) has published a consultation paper that sets out revised guidance on transfer pricing documentation, including:

- Explicit requirement to prepare documentation no later than the due date for filing the tax return for the year in question;
- Requirement to provide substantially more group-level details, which should present “a good overview of the group’s businesses”;
- Requirement that entity-level documentation “provides sufficient details of the taxpayer’s business and the transactions with its related parties”;
- Introduction of a safe harbour threshold for preparing transfer pricing documentation.

Until the proposed guidelines are finalized, taxpayers should assess their related-party transactions to determine if they meet the safe harbour threshold and conduct transfer pricing analyses for high-risk related-party transactions. In addition, we recommend to monitor further updates and guidance from IRAS.

Further details and recommendations may be found [here](#).

## Czech Tax Authorities Seek Full Disclosure of Related-Party Transactions in Corporate Tax Return

The Czech tax authorities have amended the tax laws to shift the burden of proof in transfer pricing cases from the tax authorities to taxpayers. The Czech Tax Administration also introduced a new form that must be attached to the Corporate Income Tax Return, providing information on the taxpayer’s material related-party transactions (i.e. related party’s country of residence, nature and volume of the transactions, a summary of the related-party receivables and liabilities).

The new tax return attachment must be completed by taxpayers that meet at least one of the following criteria during the tax year:

- Total assets exceeding CZK 40m (CHF 1.75m);
- Net turnover exceeding CZK 80 million (CHF 3.5m); or
- Annual average number of employees higher than 50.

Those corporations must also meet one of the following conditions to be subject to the new filing requirement:

- Entered into transaction(s) with a related party residing in a foreign country;
- Incurred tax losses in the tax year, and simultaneously entered into related party transaction; or
- Obtained a promise of investment incentives in the form of a tax relief, and simultaneously entered into related-party transaction(s).

Since the new attachment must be filed for the taxable period ending 31 December 2014, companies are advised to familiarise themselves with the new Czech regulations and ensure they comply with them.

Please follow this [link](#) for additional information on the topic.

We hope you have enjoyed this edition of Transfer Pricing Switzerland Insights. If you have questions in relation to one of the above topics or you would like to discuss your situation and receive a professional opinion on any transfer pricing related topics, please feel free to contact us directly via phone or email.

Best regards,

**Hans Rudolf Habermacher**  
Transfer Pricing Practice Leader, Partner

---

© 2014 Deloitte SA. All rights reserved.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com.ch/about](http://www.deloitte.com.ch/about) for a detailed description of the legal structure of DTTL and its member firms.

Deloitte SA is a subsidiary of Deloitte LLP, the United Kingdom member firm of DTTL.

Deloitte SA is recognised as auditor by the Federal Audit Oversight Authority and the Swiss Financial Market Supervisory Authority.

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Deloitte SA would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte SA accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

[Home](#) | [Terms of Use](#) | [Privacy](#) | [Cookies](#)

Not interested anymore? [Unsubscribe](#) instantly.