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Transfer Pricing Switzerland Insights

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Did you know?

The European Union Joint Transfer Pricing Forum

has published in April 2014 Transfer Pricing Profiles of all EU Member States that contain information about domestic transfer pricing frameworks, Competent Authorities' contact details, and other useful information for taxpayers and tax authorities.

[Read more](#)

Dear Sir or Madam,

We are pleased to present to 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

Italy Clarifies, Amends Transfer Pricing Rules

Italy's Finance Act for 2014 (effective as of 1 January 2014) clarifies the applicability of the Italian Regional Tax on Business Activities (IRAP) to transfer pricing adjustments, and introduces changes related to the digital economy, specifically regarding transfer pricing rules applicable to businesses involved in online advertising.

The 2014 Finance Act confirms that IRAP will apply to transfer pricing adjustments. The law implicitly admits that the previous legislation was confusing, because the new law provides that no administrative penalties will be imposed for IRAP purposes in cases of transfer pricing assessments related to fiscal years 2008 through 2012, except for tax assessments that were already final on or before December 31, 2013.

The Finance Act also introduces a special regime regarding the determination of profits of Italian taxpayers operating in the online advertising services industry. Under the new rules, such companies, engaging in the sale of online advertisements or undertaking ancillary activities relevant thereto, will no longer be allowed to be remunerated based on cost plus methodologies and that limitation could only be overcome through an APA.

Further information on the topic may be found [here](#).

Upcoming Transfer Pricing seminars

Stay connected on the latest Transfer Pricing topics by joining our breakfast events in Zurich (18 June) and Geneva (24 June). Your personal invitation will be sent shortly.

Poland Issues Clarification on Business Restructuring Rules

On 27 February 2014, Poland's Ministry of Finance published on its website a document clarifying the rules regarding business restructurings between related parties. The document presents the ministry's technical position on the interpretation of the new business restructuring section of the Transfer Pricing Ordinance that entered into force in July 2013. It explains how the ministry views key elements of the new business restructuring regulations, and will impact the way tax administrations and taxpayers interpret those regulations.

In particular, the document provides the following clarifications:

- It indicates areas of particular interest to the tax authorities and the methodology they should apply when analysing business restructuring cases.
- It defines more precisely what constitutes a business restructuring and how its "economic importance" should be analysed.
- It stresses the role of substance in business restructuring analysis.

We recommended that companies planning to undertake business restructurings (as well as taxpayers that underwent such a process in recent years) review the ministry's clarifications to assess how they are impacted.

Please follow this [link](#) for more information on the subject.

Greece Provides Guidance on Transfer Pricing Rules

Greece's Finance Minister has issued a ministerial decision that provides guidance on the contents of the transfer pricing documentation file, the parties subject to the transfer pricing rules and exemptions therefrom, language requirements, transfer pricing documentation methods, and the content of the summary information table.

An important provision of this ministerial decision is the newly enacted obligation to include a chapter on market conditions changes in the transfer pricing documentation file. The taxpayer is required to describe all facts and events of the prior fiscal year that have an impact on the information and data included in the file and that are due to market conditions changes.

It should also be noted that a transfer pricing documentation file will be considered incomplete or inadequate by the local tax authorities if, during the course of an audit, it is not possible for the auditor to verify the correctness of the calculations or the transfer pricing documentation methods used, even after additional information has been provided to the auditor. The

resulting penalty is calculated at the rate of 1 percent on the taxpayer's revenues during the fiscal year under review, including any adjustments to the taxpayer's profits.

We recommend that our clients having businesses in Greece give due consideration to this guidance to ensure compliance.

An exhaustive list of the guidance is available [here](#).

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

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