

BEPS Actions implementation by country

Action 13 – Transfer pricing documentation

On 5 October 2015, the G20/OECD published 13 final reports and an explanatory statement outlining consensus actions under the base erosion and profit shifting (BEPS) project. The output under each of the BEPS actions is intended to form a complete and cohesive approach covering domestic law recommendations and international principles under the OECD model tax treaty and transfer pricing guidelines.

It is now for governments to digest and introduce the necessary legislation. The table below sets out a summary of the expected implementation and timing of the proposals under Action 13 (Transfer pricing documentation) by territory.

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Country	Notes on implementation	Expected timing	Last reviewed by Deloitte
Argentina	Not yet known.	Not yet known	August 2017
Australia	Laws requiring CbC reporting and master and local file reporting have been enacted. The Australian approach is broadly in line with the G20/OECD approach.	1 January 2016	July 2017
Austria	Legislation on the implementation of CbC reporting and the requirement for master/local files has been published.	1 January 2016	March 2017
Belgium	Belgium has introduced master file and local file reporting.	The first master file and part A and C local file reports must be filed for accounting years starting on or after 1	May 2017

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January 2016

Part B of the local file must be filed for accounting years starting on or after 1 January 2017

Brazil	<p>Brazil's transfer pricing legislation diverges significantly from the current OECD guidelines, although Brazil has adopted extensive documentation and reporting requirements. Global studies and economic models are not accepted as documentation since the country uses a transaction approach.</p> <p>No further changes to the transfer pricing rules are expected in the near future.</p>	N/A	July 2017
Canada	<p>Canada has transfer pricing documentation requirements, but no new specific requirements have been announced other than regarding CbC reporting.</p> <p>Canada has not introduced a requirement to utilize a master file and local file approach to transfer pricing documentation recommended under Action 13, but instead existing Canadian transfer pricing documentation requirements as stipulated in subsection 247(4) of the Income Tax Act will continue to apply..</p>	N/A – no specific actions	July 2017
China	<p>On 29 June 2016, the SAT issued a new regulation (Bulletin 42), which replaced the relevant requirement in Circular 2 relating to transfer pricing compliance (disclosure and documentation). It includes a three-tier contemporaneous documentation framework that includes the master file, local file and a special issue file. In particular, the local file requires a quantitative and qualitative value chain analysis.</p>	As from the 2016 income tax year that commenced on 1 January 2016	July 2017

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Czech Republic	<p>The Czech Republic does not impose any obligation to maintain transfer pricing documentation; in practice, the OECD transfer pricing guidelines and EU master file concept are followed.</p> <p>The tax authorities have not announced any specific measures relating to transfer pricing documentation requirements under Action 13, although the master file/local file approach is recommended and is broadly applicable in practice.</p>	Not yet known	April 2017
Denmark	<p>New legislation addressing transfer pricing documentation requirements has been enacted. The tax authorities will issue/update detailed administrative guidance biannually.</p> <p>Companies can choose between the revised or the previous documentation requirements for income year 2016. The revised documentation requirements are mandatory as from income year 2017</p>	<p>Revised statutory order on transfer pricing documentation was issued on 4 May 2016. The effective date of the statutory order is 1 July 2016 and applies to income years beginning on or after 1 January 2016.</p>	April 2017
Estonia	<p>Estonia already applies the master file and local file principles. The implementation of any further changes is not yet known.</p>	1 January 2007	July 2017
Finland	<p>The recommendations under Action 13 have been adopted into legislation.</p>	<p>Financial years starting on or after 1 January 2017</p>	May 2017
France	<p>Existing rules are in line with the Action 13 recommendations and are widely used in practice. The legislation may be updated in future to require further information from businesses.</p> <p>The threshold for having to submit simplified transfer pricing documentation on an annual basis was lowered as from 2016, with all groups with at least one entity (not necessarily resident in France) with turnover/total assets exceeding EUR 50 million being required to file.</p>	Not yet known – possibly 2017	May 2017

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Germany	Legislation on new transfer pricing documentation requirements passed parliament in December 2016.	Financial years commencing after 31 December 2016	July 2017
Greece	Not yet known.	Not yet known	May 2017
Hong Kong	<p>The IRD considers transfer pricing to be a high priority amongst the 15 BEPS actions. The IRD is reviewing the need to update current practices, including the revised documentation approach recommended by the G20/OECD.</p> <p>The IRD will require multinationals to provide high level information on their global business operations and transfer pricing policies, transactional transfer pricing documentation specific to each country and annual CbC reports for each jurisdiction in which they do business. In addition, the consultation paper proposed to introduce the three-tier transfer pricing documentation requirements as recommended in BEPS Action 13 (i.e. CbC report, master file and local file).</p>	Plan to introduce the relevant amendment bill(s) to the Legislative Council in 2017	July 2017
Hungary	Hungary is expected to introduce rules regarding the master file and local files.	Likely 2018	April 2017
Iceland	In accordance to the new articles implemented on 1 January 2014, a regulation on transfer pricing documentation was published on 16 December 2014. The regulation stipulates the practical elements of the documentation, including specific information requirements, definitions, acceptable transfer pricing methods, exemptions for immaterial transactions and compilation and submission requirements.	Not yet known	June 2017

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India	<p>The Finance Act 2016 introduced the concept of the master file into India's transfer pricing rules, although details of the master file requirement have not yet been prescribed.</p> <p>No changes have been proposed to the existing documentation requirements to align with requirements of the local file as per Action 13.</p>	Not yet known	May 2017
Indonesia	<p>The Ministry of Finance introduced the three-tiered level of documentation effective for taxpayers with a tax year ending on or after 30 December 2016. The requirements are broadly in line with the Action 13 recommendations, with additional information requirements in both the master file and local file. The documents must be prepared in Bahasa, Indonesia and made available within four months from the end of the tax year. There are also new thresholds for determining the documentation requirements and the inclusion of domestic related parties within the scope of the transfer pricing rules.</p>	Regulation issued on 30 December 2016 (effective for tax year beginning 1 Jan 2016)	July 2017
Ireland	<p>Ireland has not introduced a requirement for an Action 13 master file and local file to be prepared, although this may be implemented in the future. However, Ireland does have transfer pricing documentation requirements.</p>	Not yet known	March 2017
Israel	<p>On 4 January 2017, the government published proposed legislation to adopt transfer pricing documentation rules in the context of Action 13.</p>	If approved, as from tax year 2017	April 2017
Italy	<p>Not yet known.</p>	Not yet known	May 2017

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Japan	This issue is addressed in the 2016 tax reform proposal and Japanese companies are required to prepare and maintain transfer pricing documentation. A de minimis exemption applies to certain non-material intercompany transactions.	1 April 2016 for Master file documentation and 1 April 2017 for Local file documentation	May 2017
Luxembourg	The 2017 budget law includes new transfer pricing rules and a recent circular provides guidance and clarification on the transfer pricing regulations.	As from 1 January 2017	March 2017
Mexico	The 2016 tax reform amended the Income Tax Law to implement the transfer pricing (master file/local file) documentation requirements. Mexican companies must submit the required documents by the end of the year (i.e. 31 December) following the fiscal year.	31 December 2016, to be reported by March 2017	March 2017
Netherlands	Measures have been introduced to implement the transfer pricing master file and local file requirements.	1 January 2016	May 2017
New Zealand	Consultation is underway on a package of reforms to strengthen New Zealand's transfer pricing rules, including shifting the burden of proof to the taxpayer. The shifting of the burden of proof will increase the importance of having adequate documentation. It is not intended to introduce a statutory requirement to prepare and maintain transfer pricing documentation.	Legislation is not expected until 2018	June 2017
Norway	Not yet known.	Not yet known	August 2017
Poland	Changes have been made to the transfer pricing documentation requirements that reflect the recommendations in Action 13.	1 January 2017	May 2017

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Portugal	Some changes to domestic law are expected to address the concepts of master file and CbC reporting.	Not yet known	July 2017
Russia	Guidelines are under development.	Expected to be introduced by 2018	July 2017
Saudi Arabia	There are no existing transfer pricing documentation requirements in Saudi Arabia. Once the transfer pricing guidelines have been introduced, it is expected that the documentation requirement will be in line with the Action 13 recommendations.	Not yet known, but likely in 2017	May 2017
Singapore	Transfer pricing documentation guidelines were updated in January 2015 to be broadly in line with Action 13 recommendations.	January 2015	August 2017
Slovakia	Slovakia already had master and local filing requirements.	Already implemented	August 2017
Slovenia	Not yet known.	Not yet known	December 2016
South Africa	On 28 October 2016, the South African Revenue Authorities issued a final notice, which states that where the taxpayer's aggregate potentially affected transactions for a year of assessment exceed ZAR 100 million, the taxpayer will be required to keep specified records, books of accounts or documents, presumably as part of its transfer pricing documentation. Significant additional reporting requirements have been introduced, for example, operational flows, including product flow, cash flow of the transactions, and a comparison to the flows in independent transactions; and where a tested party is outside South Africa, copies of invoices and contracts between the tested party and its customers.	Years of assessment starting on or after 1 October 2016	June 2017

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South Korea	The amended tax law for 2016 includes recommendations from Action 13 (transfer pricing documentation). Both master file and local file requirements have been implemented and the first reporting is due by 31 December 2017 for calendar year taxpayers.	Legislation effective from 1 January 2016	April 2017
Spain	Documentation and reporting requirements have been enacted. It is unclear whether further changes will be made.	1 January 2015	May 2017
Sweden	Sweden has implemented BEPS Action 13, and requires the master and local file documentation format for transfer pricing documentation.	Financial years starting on or after 1 April 2017	March 2017
Switzerland	Switzerland does not plan to make transfer pricing documentation compulsory, but it is expected to monitor the situation. Taxpayers may need to make available the master file that already must be prepared as part of tax audits.	N/A	February 2017
Turkey	Draft Transfer Pricing General Communiqué No. 3 includes rules that introduce the three-tier documentation approach recommended by Action 13. Additionally, a draft Decree has also been announced recently to incorporate the changes re – BEPS Action 13 related documentation into the existing Transfer Pricing Decree, in effect.	Expected to be finalised in 2017 and to be effective retroactively as from 1 January 2016 with regard to CbC reporting; and from 2017 with regard to the preparation obligation of master file	June 2017
United Kingdom	The UK is not expected to implement specific rules as it already has sufficient powers to require information.	N/A	May 2017
United States	Existing US law has documentation requirements that are at least equivalent to, or serve the same purpose as, the Action 13 local file. The US has thus far not indicated that it will require creation or filing of master file but the IRS likely would ask for a taxpayer's master file, if it exists, in the event of an audit.	N/A	March 2017



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