



Singapore Transfer Pricing Developments

Reporting of related party transactions in Form C

Key changes

The Inland Revenue Authority of Singapore (“IRAS”) will be introducing a new Form for Reporting of Related Party Transactions (“RPT Form”) with effect from Year of Assessment 2018.

Click [here](#) for more details on reporting requirements.

The RPT Form will need to be completed if the value of the company’s related party transactions disclosed in the audited accounts for the financial year exceeds S\$15 million. The RPT Form would need to be endorsed by an authorised person(s) of the company and submitted together with Form C.

The categories of RPT to be reported in the RPT form cover tangible goods, intangibles, services and financing transactions. Details on the company’s top 5 foreign related customers and suppliers are also required to be reported.

A sample copy of the form can be found [here](#).

Deloitte's view

This is not the first time IRAS has required reporting of related party transactions in Form C. In the earlier years before Year of Assessment 2004, companies were required to disclose in Form C the value and counterparty of some related party transactions, and whether arm's length prices were charged. That IRAS has reinstated, and enhanced, such disclosure requirement in Form C is a continuing indication of IRAS' focus in monitoring and auditing taxpayers' compliance with transfer pricing documentation and arm's length pricing requirements.

With the increase in cross border transactions and global scrutiny on transfer pricing, the new RPT Form will be a tool for IRAS to collect data to improve its transfer pricing risk assessment of companies and to allocate resources on higher risk cases, with a view to improving the enforcement of the arm's length principle.

Companies should thus take note of this new RPT Form for Year of Assessment 2018 and ensure that the Form is duly completed and submitted if the value of RPT exceeds S\$15 million.

More importantly, companies should ensure that they have prepared robust and adequate transfer pricing documentation to support that the RPT disclosed in the Form are in line with the arm's length principle, as it is highly likely IRAS will be requesting for such documentation when reviewing the data collected from the RPT Form.

Find out more

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Mr See Jee Chang is a Tax Partner at Deloitte Singapore and leads the transfer pricing practice. He was vitally involved in developing the 2006 Transfer Pricing Guidelines in his former role as the Tax Director of the Tax Policy and International Tax Division of IRAS. During his time at the IRAS, Jee Chang also served as the Competent Authority of Singapore, responsible for transfer pricing and bilateral Advance Pricing Arrangement negotiations.

Ms Lee Siew Ying is a Tax Partner at Deloitte Singapore's transfer pricing practice. She has extensive experience on projects relating to the preparation of master file documentation for group companies, review of intra-group services, including assisting companies with the implementation of the recommended methodology, as well as advising on transfer pricing policies and planning strategies. Siew Ying has also assisted clients to successfully negotiate for APAs with tax offices, and supported clients in their transfer pricing audit defense.

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