



Tax Newsletter

Timely news and information on national tax issues

Importance of compliance with the Transfer Pricing obligations with upcoming deadlines



Through the last rulings issued by the Court of Appeals of Internal Tax and Customs (TAIIA), it is evident that compliance with Transfer Pricing (TP) obligations continues to be one of the main areas of oversight by the Tax Authority (TA), particularly due to the easy identification of non-compliance with these formal obligations.

Since the deadlines for these obligations are **fast approaching**, it is advisable to address them now and thus avoid any issues to ensure proper compliance.

Recalling what is established in the Tax Code (TC), the formal obligations under this regime and their deadlines are as follows:

- Filing of the form “Report on Transactions with Related Parties” (F-982 version 4), whose deadline for this year according to article 124–A is **April 2, 2024**
- Preparation of the transfer pricing study, which demonstrates that the transactions performed by the taxpayer with its related parties and/or tax havens have been carried out using prices, margins or considerations agreed upon under market conditions, prior to the filing of the Income Tax return (Art. 62–A) on **April 30, 2024**

- Verification before the Tax Auditor appointed by the taxpayer of the taxpayer’s compliance with the obligations mentioned above before **May 31, 2024**.

Considering these obligations and the constant instances of taxpayer non-compliance identified by the Tax Authority, review processes in this area continue to be performed, with the **main violations identified** being the following:

- Not filing or late filing, per the term established by Law, of form F-982.
- Filing form F-982 without complying with the requirements established in the TC
- Not having a TP study that demonstrates that market prices have been applied in transactions with related parties
- Deduction of costs and expenses for intragroup charges without complying with the documentation and materialization requirements for their deductibility, among others.

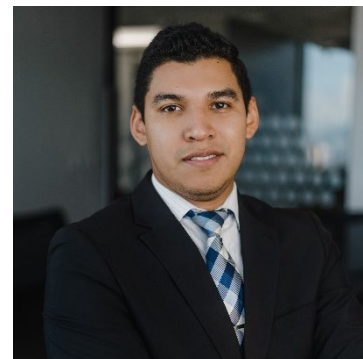
Finally, it is important to remember that the fines established for violations under the transfer pricing regime are imposed on the taxpayer’s equity or shareholder’s equity, and not verifying the obligations indicated above in a timely manner could result in taxpayers having to pay onerous fines. Thus, not filing form F-982, or not filing it within the stipulated term, or filing it without the required specifications, automatically implies a penalty of **0.5% of the taxpayer’s equity or shareholders’ equity** (Art. 244–L).

Given the above, it is important that taxpayers timely ensure, at the beginning of the year, their proper compliance with the **Transfer Pricing obligations** that will be soon be due, in order to avoid fines and penalties that could harm their equity.

More information:



Federico Paz
Tax Partner
fepaz@deloitte.com




Alvaro Miranda
Transfer Pricing Senior Manager
aimiranda@deloitte.com

Tax Calendar


Use our **2024 Tax Calendar** to keep informed about:



Obligaciones Tributarias ante el Ministerio de Hacienda



Obligaciones Tributarias Municipales




Obligaciones de Administración de Nóminas

January 2024

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

To learn more about **January's** obligations:



Download the 2024 Tax Calendar

Contacts

Federico Paz

Tax Partner
fepaz@deloitte.com

Ghendrex García

Tax and BPS Partner
ggarciaq@deloitte.com

Mario Coyoy

Transfer Pricing Partner
mcoyoy@deloitte.com

Henry Aguirre

BPS Senior Manager
haguirre@deloitte.com

Cosette Fuentes

Legal Services Senior Manager
cg.fuentes@deloitte.com

Rita Vega

Legal Services Manager
ritvega@deloitte.com

Alvaro Miranda

Transfer Pricing Senior Manager
ajmiranda@deloitte.com

Wilmer García

Transfer Pricing Senior Manager
wsgarcia@deloitte.com

José Ángel Lopez

Transfer Pricing Manager
joselopez@deloitte.com

Jhonny Flores

Tax Consulting Senior Manager
iflores@deloitte.com

Emerson Inocente

Tax Manager
einocente@deloitte.com

Global news, local views

Deloitte tax@hand newsfeed

Download the mobile app



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their societies affiliated to a member firm (hereinafter “Related Entities”) (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and Related Entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and Related Entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

As used in this document, “Deloitte” refers to Deloitte El Salvador S.A. de C.V., which has the exclusive legal right to become involved in, and limit its business to, the provision of audit, consulting, tax and legal, risk advisory, financial advisory and other professional services under the name “Deloitte”. Deloitte Consulting S.A. de C.V., which has the exclusive legal right to engage in, and limit its business to, the provision of auditing, consulting, tax and legal consulting, risk advisory, financial advisory, and other professional services, under the name "Deloitte".

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society, and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 457,000 people worldwide make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their Related Entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, Related Entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their Related Entities, are legally separate and independent entities.