

## Transfer Pricing Practice

**The KZP Tax Team has extensive expertise and experience in transfer pricing.** This includes not only drafting transfer pricing documentation and conducting benchmark studies, but also carrying out economic analyses to be used in litigation and arbitration procedures.

We have an experienced team composed of lawyers, tax advisors and analysts, so we are able to provide cutting-edge, comprehensive business solutions to our Clients.

Our specialists have considerable experience in advising international groups of companies, including in particular those whose parent companies are based in, i.a., the United States, Japan, the United Kingdom, Germany, Austria, the Netherlands, or Italy.

**We have comprehensive expertise in documenting transactions relating to, among other things:** trademark sharing, technology transfers, management, consulting, accounting and legal services, sales and purchase of goods and semi-finished products, intra-group loans, FX Spot and FX Forward contracts, mobile marketing services, low value-added services.

### Our services include:

- drafting transfer pricing documentation
- designing transfer pricing policies
- transfer pricing risk identification and management
- conducting benchmark studies
- supporting clients during tax inspections and representing them in litigation relating to transfer pricing
- carrying our economic and business analyses for the purposes of litigation and arbitration procedures
- Advance Pricing Agreements (APA)
- Mutual Agreement Procedures (MAP)
- training on transfer pricing
- advising on special economic zones (including determining the financial result of business activity conducted in SEZ)



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## Significant amendments to transfer pricing regulations from 2017. Are you ready for them?

According to the new regulations, as the level of revenues or costs in the preceding tax year rise, the documentation obligations of taxpayers are extended (*local file, benchmark study, master file, country-by-country reporting*).

As a rule, the obligation to prepare transfer pricing documentation will concern transactions of the same kind, if their total value exceeds EUR 50,000 (this threshold rises as the taxpayer's revenues/costs rise).

Revenues / costs in the previous year (mln EUR)	Transaction value (thousand EUR)	Obligations	
< 2		not applicable	
2 - 3	50	preparing a <b>local file</b> containing, i.e., a description of the transactions, cash flows related to the transactions, functions, assets, and risks borne by the taxpayer, the method and manner of calculating the income relating to the transactions  making a <b>statement</b> confirming that a complete transfer pricing documentation has been prepared	
3 - 4	55		
4 - 5	60		
5 - 6	65		
6 - 7	70		
7 - 8	75		
8 - 9	80		
9 - 10	85		
10 - 11	90		preparing a <b>benchmark study</b> showing that transactions between related parties have been made at arm's length  attaching a <b>simplified report on transactions with related parties</b> to the tax return
11 - 12	95		
12 - 13	100		
13 - 14	105		
14 - 15	110		
15 - 16	115		
16 - 17	120		
17 - 18	125		
18 - 19	130		
19 - 20	135		
20 - 30	140	preparing a <b>master file</b> containing information on the group of related parties including: indication of the entity preparing the documentation, description of the organisational structure, transfer pricing policy, description of the group's business, relevant intangible assets, financial standing of the group of companies and a description of the pricing arrangements made	
30 - 40	185		
40 - 50	230		
50 - 60	275		
60 - 70	320		
70 - 80	365		
80 - 90	410		
90 - 100	455		
100 - 750	500		
>750	500	<b>country-by-country reporting</b> at group level, providing information on the income and the tax paid, and the places of conducting business, subsidiaries and foreign permanent establishments of the group of companies	