




Transfer Pricing

Transfer pricing documentation (“TPD”) compliance have often been overlooked by taxpayers. Given the increase in transfer pricing audits in recent year, taxpayers should be aware of the Inland Revenue Authority of Singapore (“IRAS”)’s TPD requirements and how to access them.

DO YOU KNOW THAT...

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Taxpayers are required to prepare contemporaneous TPD on an **annual** basis, subject to certain conditions and specified exemption thresholds.
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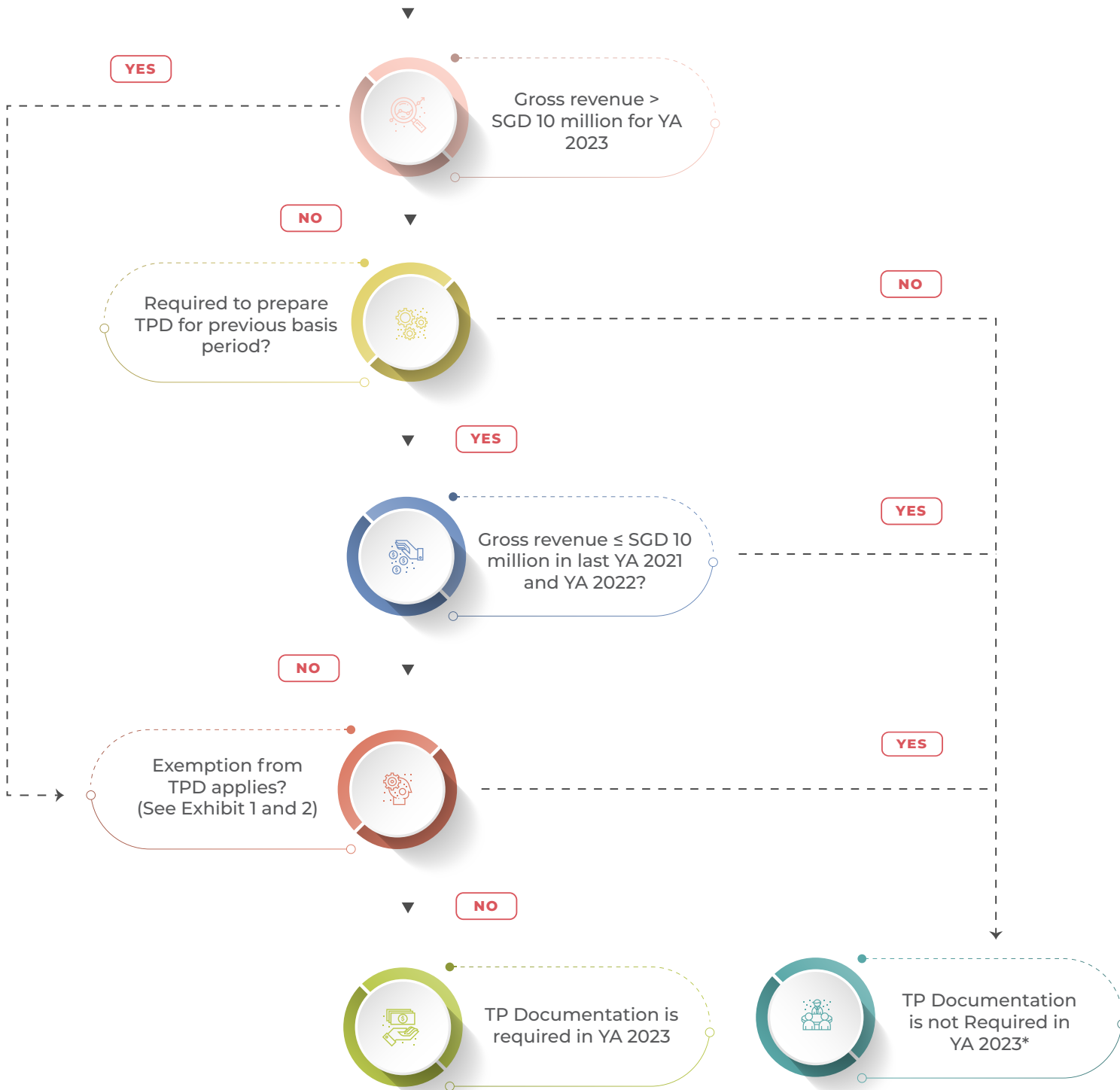
The deadline to **complete** contemporaneous TPD should be no later than the filing due date of the tax return.
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A **penalty** for non-compliance is a fine not exceeding SGD 10,000.




Who should prepare TPD – Assess your TPD requirements for year of assessment (“YA”) 2023


Preparation of TPD for YA 2023





* Taxpayers should also consider if TP documentation is necessary for other compliance purposes e.g. conditions for incentives, TP documentation rules in other jurisdictions, etc.


Exhibit 1 – Specified Transactions Qualifying for Exemption from TPD


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Transactions between related parties in Singapore (excluding related party loan) where both parties are subject to the same Singapore tax rates, or exempt from Singapore tax.
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Loans provided between related parties in Singapore, and the lender is not in the business of borrowing and lending money.
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
Related-party loans where the safe harbour interest margin is applied.
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5% cost mark-up is applied on routine support services.
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Related-party transaction covered by an Advance Pricing Arrangement (APA).
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Related-party transactions not exceeding the values in Exhibit 2 below.

Exhibit 2 – Threshold for Exemption from TP Documentation

Type of Transaction	Value (SGD)
 Purchase of goods	15 million
 Sales of goods	15 million
 Loan to related party	15 million
 Loan from related party	15 million
 Provision of service	1 million
 Receipt of service	1 million
 Grant of right to use property or lease	1 million
 Receipt of right to use property or lease	1 million
 Guarantee provided	1 million
 Guarantee received	1 million
 Any other transaction	1 million

Our experienced team of transfer pricing experts with in-depth knowledge and proven track record of delivering effective solutions are ready to help you with your transfer pricing compliance requirements as well as defence and strategy solutions.

To find our more, please reach out to:

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