



Filing of Transfer Pricing Declaration on Dhareeba



Tax Alert | 2 February 2021

In September 2020, the General Tax Authority (“the GTA”) introduced the new online tax portal - “Dhareeba” which follows a holistic approach for filing Income Tax returns and various other declarations and reports electronically.

One of the key pre-requisites to submit the Income Tax return on Dhareeba, is the filing of **declaration of related party transactions** under the ‘Statement of Transfer Pricing’ (“TP Declaration”), where applicable (**along with the income tax return**).

The GTA has verbally confirmed that the TP Declaration needs to be filed in case where the taxpayer has “Total Value of Assets” **OR** “Total Revenue” exceeding the thresholds determined by the GTA (expected to be QR 10 million).

Accordingly, we would strongly recommend the taxpayers to be prepared with the information required in the TP Declarations to avoid any risk of non-compliance, since the Dhareeba system is already equipped to accept the TP Declarations, and the taxpayer will have the responsibility to provide the required information.

Amongst other transactional information pertaining to the related party transactions, the TP Declaration requires the taxpayer to state the OECD method, based on which the taxpayer has determined whether the transactions meet an arm’s length requirement.

It is therefore important for the taxpayers to determine whether they have entered into any related party transactions and if the answer is in affirmative, whether the transaction is entered at an arm’s length price (“ALP”), in compliance with TP provisions.

It is pertinent to note that if the transactions are not at arm’s length, this will have an impact on the taxable profits and the taxpayer would need to make a corresponding TP adjustment in the tax return.

How KPMG can help you?

In this respect, KPMG Qatar can help to comply with TP provisions by reviewing your related party transactions to be reported on Dhareeba while filing Income Tax return by evaluating the following points:

- understanding the nature and class of the related party transactions;
- the method for determination of ALP and availability, coverage and reliability of data necessary for application of the method;
- the degree of comparability existing between the related party transactions and the independent third party transactions;
- providing a basis/opinion for adjustments which can be made to account for differences, if any, between the related party transactions and the comparable uncontrolled transaction; and
- assist in preparing a limited scope analysis that can act as a first level of defense in case of a tax audit.

If you have any questions or would like to discuss this further, please contact us.

Yours truly,

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