

Ireland's changing transfer pricing rules

For accounting periods beginning on or after 1 January 2020

- Irish TP rules broadened to cover non-trading arrangements, excluding certain domestic arrangements
- Review all transactions that may previously been outside of Irish TP rules, e.g., IFLs, licence agreements, rents, etc.



Extends to non-trading income

Adopts 2017 OECD Guidelines



- Brings latest OECD Guidance into Irish legislation (including HTVI and profit splits). Legislation also emphasises substance over form
- Historical analyses likely to require updates to ensure compliance with latest guidance (DEMPE, control of risk, etc).
- Test substance of arrangements.

- Master File >€250m
- Local File >€50m
- Specific Irish TP documentation is now mandatory.

! Penalties from €4k to €25k for non compliance including daily time based penalties for continued non compliance.



Enhanced TP documentation

Removes grandfathering



- Pre-July 2010 arrangements are now within the scope of TP rules
- Check if any transactions were treated as grandfathered. A TP analysis will now be required.

- Capital transactions of +€25m are subject to TP rules (with some exceptions) from 1/1/2020
- Greater documentation will be required to support the values in capital transactions. This will be an important area of focus for Irish Revenue.



Extends to capital transactions > €25m

Extends TP to SMEs



- Documentation requirement:
 - Small=Exempt
 - Medium=Simplified
- ! Subject to ministerial order



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