

MINISTER EXPLAINS THE MEANING OF TRANSACTIONS/EVENTS OF THE SAME KIND

Taxpayers find it quite difficult to interpret some of the new transfer pricing regulations in effect since 1 January 2017. Particular controversies surround the concept of transactions or events of the same kind which materially affect the amount of income/loss and which therefore must be documented.

This issue was addressed in a letter dated 1 September 2017 from the Minister for Development and Finance to the Speaker of the Polish Senate. The materiality test should apply to transactions of the same kind or events of the same kind, with the documentation requirement triggered if the statutory thresholds are exceeded. According to the Minister, summing up all the transactions with one party would be substantially at odds with the purpose of and reasons for the new regulations.

If this issue pertains to your business and you are interested in our assistance, please contact your WTS&SAJA consultant or our office.

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