

MASTER FILE IN POLISH ONLY

1 January 2017 saw entry into force of new regulations on transfer pricing documentation. Taxpayers with prior tax year's revenues or costs which in 2016 exceeded the PLN equivalent of EUR 20 million will have to make sure their TP documentation includes a document with disclosures on their affiliates, called the Master File.

Those Polish taxpayers which are members of multinational groups headquartered outside Poland should have the document in their possession by the tax return submission deadline applicable to the entity which issues the Master File (in some European countries this can be even 6 to 9 months after the end of the tax year).

Such taxpayers should not wait too long with trying to get the Master File from their foreign affiliates responsible for issuing it. In particular, given that regulatory time frames for issuing Master Files may be different in different countries, a Polish taxpayer should let its group know of the Polish statutory deadline for it to obtain the document. What is more, the local deadline for the foreign entity to prepare the Master File may be longer than until the due date for submission of tax return.

Importantly, the Master File should be translated into Polish. In accordance with the Polish Language Act of 7 October 1999, any representations, declarations, applications or other written submissions to entities with public responsibilities should be executed in Polish. This principle is enacted also in the Taxes Management Act of 29 August 1997, which says that the tax authorities may request a taxpayer to provide Polish translations where the taxpayer has submitted any foreign documents in course of the proceedings or inspection.

Thus, Polish entities which receive Master Files in foreign languages should take care in due time to have them translated into Polish. Note that, according to Polish law, TP documentation must be submitted within mere 7 days from tax authorities' request. This time may prove too short to prepare a fair translation and have it verified by the local Polish company.

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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