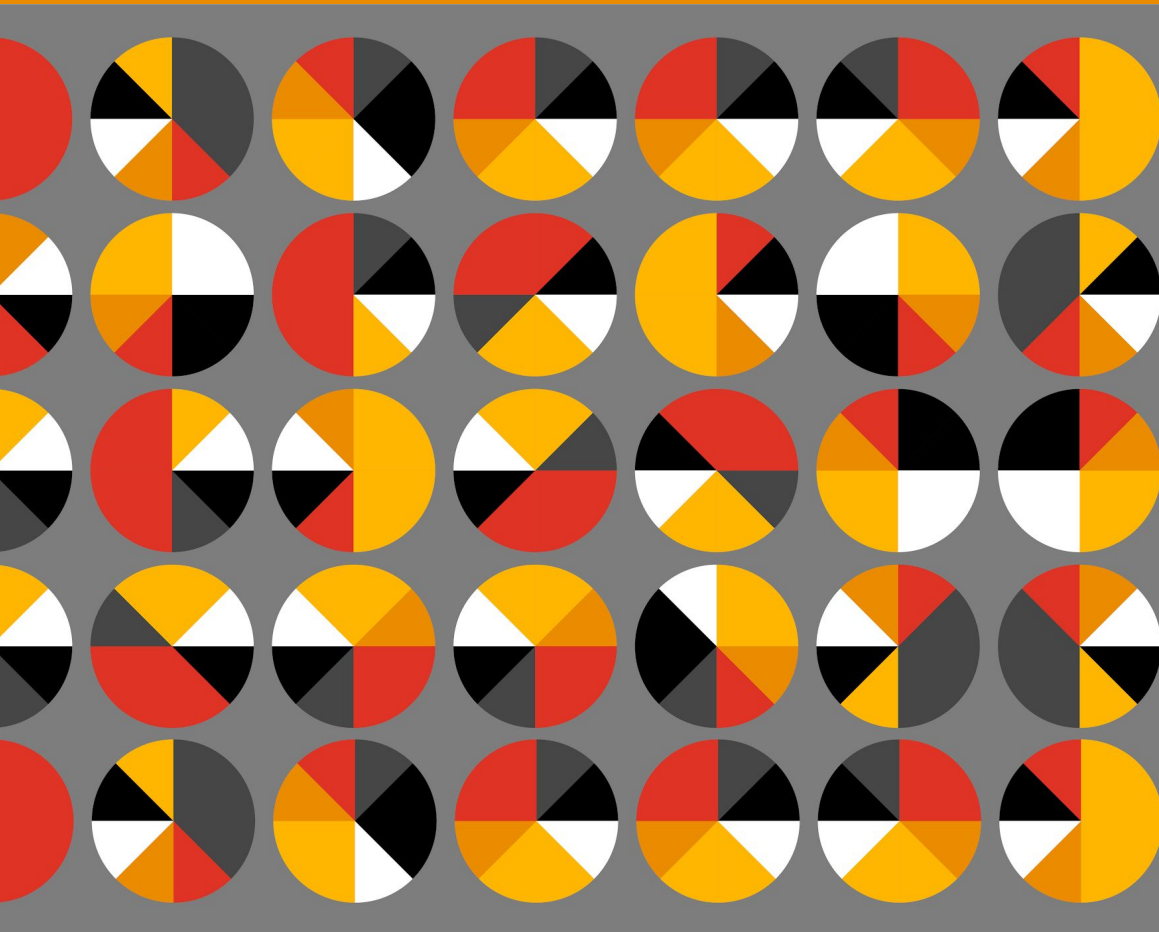


Qatar: Transfer Pricing Declaration Form now required on Dhareeba

February 2021



In brief

The Qatar General Tax Authority (“GTA”) has verbally announced the introduction of a new Statement of Transfer Pricing (“Transfer Pricing Form”), which will form part of the income tax return from financial years beginning January 1, 2020 onwards.

In detail

On February 2, 2021, the GTA verbally confirmed that a Transfer Pricing Form will be required for taxpayers with either total value of assets or total revenues in excess of 10 million QAR for the financial years beginning January 1, 2020 onwards. The Transfer Pricing Form should be submitted alongside a taxpayer’s income tax returns on the Qatar Online Tax Portal, namely Dhareeba.

The Transfer Pricing Form will require information on the details and nature of the taxpayer’s intra-group transactions, including the OECD method applied by the taxpayer to determine that the transactions were conducted on an arm’s-length basis. In addition to the above information, the Transfer Pricing Form will also require taxpayers to provide additional transfer pricing related information. Furthermore, the GTA has verbally communicated that taxpayers should also prepare and maintain transfer pricing documentation to support their related party transactions.

With the income tax return submission deadline fast approaching, it is critical that taxpayers proactively assess the transfer pricing positions for their Qatari entities and assess their readiness for the transfer pricing compliance requirements by opting for a robust and compliant transfer pricing approach.

Key Considerations for taxpayers

The introduction of the Transfer Pricing Form is a major development for Qatari entities with related party transactions and requires careful assessment of the transfer pricing policies in place. Below, we have highlighted some of the key considerations that taxpayers should assess as they begin to prepare the income tax returns for financial year 2020:

- Consider whether you have undertaken an intra-group mapping exercise to identify and delineate your related party transactions - with reference to the Qatari transfer pricing regulations;
- Consider whether you have assessed the most appropriate transfer pricing methodology to apply in respect of the related party transaction(s);
- Consider whether your current transfer pricing policy is consistent and appropriate from both a Qatari transfer pricing and OECD perspectives;
- Consider whether you have prepared the necessary transfer pricing documentation (Master File & Local Files) to support the disclosures in the Transfer Pricing Form; and

- Consider the need for any transfer pricing adjustments to ensure that your intra-group transactions are conducted on an arm's-length basis from a Qatari perspective.

We highly recommend all taxpayers to proactively assess the transfer pricing positions and policies for their Qatar based entities, in order to ensure appropriate disclosures are made as part of the Transfer Pricing Form. The new Transfer pricing Form compliance requirement also creates a momentum for taxpayers to assess their readiness for the wider transfer pricing compliance exercise, including Local File, Master File and Country by Country Reporting preparation and submission.

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Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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