

## UPDATE ON TRANSFER PRICING DOCUMENTATION REQUIREMENTS & MANAGING TRANSFER PRICING AUDITS

**Date** : 7 January 2021, Thursday  
**Time** : 9:00AM – 5:00PM  
**Event Code** : 21WS/001

### Introduction

Transfer pricing is an area that is a major concern for Multinational Enterprises (MNEs) due to the different approaches, ambiguity and practical difficulties in applying the transfer pricing methodologies. A significant volume of global trade consists of international transfer of goods and services e.g. capital (such as money) and intangible (such as intellectual property) within an MNE Group. Transactions involving intangibles and multitiered services constitute a rapidly growing proportion of an MNE's commercial transactions and have greatly increased the complexities in analyzing and understanding such transactions. And yet it becomes even more imperative to establish the transfer price for intra group transfer of goods, intangibles and services in light of greater scrutiny by the tax authorities.

The Income Tax (TP) Rules 2012 and the TP Guidelines 2012 require a person who enters into a controlled transaction to prepare contemporaneous TP documentation which is to be submitted to the tax authorities within 30 days upon request by the Malaysian Inland revenue Board (MIRB). Currently, there is no specific penalty imposed for the failure to submit the contemporaneous TP documentation within 30 days upon request by the MIRB. However, effective from 1 January 2021, taxpayers that fail to submit the contemporaneous TP documentation within 30 days upon request by the MIRB can be fined between RM20,000 and RM100,000 and / or to imprisonment for a term not exceeding 6 months. Practically all tax payers that have related party transactions need to take heed of this new penalty.

### Course Outline

- To highlight the Malaysian TP Rules and Guidelines
- The concept of arm's length
- The transfer pricing methodologies
- Malaysian TP Documentation requirements
- A detailed discussion of the Functional Analysis
- Comparability analysis, factors affecting comparability and the elimination matrix
- Managing the TP Function in a MNE
- Transfer Pricing audits and practical issues to consider
- Base Erosion and Profit Shifting developments
- Case Studies

### Speaker's Profile

**Harvinder Singh** is a Fellow of Chartered Association of Certified Accountants and is a member of the Malaysian Institute of Accountants (MIA) as well as the Chartered Tax Institute of Malaysia (CTIM). Harvinder was attached to the firms of PWC and E&Y as a tax consultant and is currently the Managing Partner of Harvey & Associates, a boutique firm that specialises in taxation consulting services as well as the Tax Partner in SCS Global Consulting (M) Sdn Bhd. He has more than 25 years of experience in the field of taxation. He is currently serving as the Chairman of the Editorial Board of the Budget Commentary and Tax Information Booklet which is produced jointly by MIA, CTIM and MICPA. Harvinder has extensive experience in taxation advisory, transfer pricing documentation preparation, tax planning as well as tax audits and investigations and he serves as a tax consultant to various MNEs and other organisations.

Based on the existing transfer pricing guidelines, taxpayers with gross income exceeding RM25 million where their related party transactions exceed RM15 million are required to prepare complete and detailed transfer pricing documentation. It however does not mean that taxpayers that do not reach the above threshold are not required to prepare the TP documentation as the guidelines require the preparation of a simplified version. It therefore affects all taxpayers that have related party transactions.

Another amendment to the TP rules that is effective from 1 January 2021 allows the MIRB to impose a surcharge of 5% on companies that are loss making or enjoying tax incentives if it is found that the related party transactions are not conducted at arms-length. This means that even if the transfer pricing adjustment does not result in additional tax payable, the surcharge of up to 5% may still be imposed on the amount of increase of any income or reduction of any deduction or loss arising from the TP adjustment.

The practical issues and a detailed discussion on the TP Documentation requirements will be carried out by the speaker during the webinar.

### Who Should Attend

- ▶ Chief finance officers & finance managers
- ▶ Tax managers
- ▶ Tax consultants
- ▶ Accountants
- ▶ Auditors
- ▶ Business advisers
- ▶ Others who are interested to know more about capital allowances

#### Important Notes for Webinar Participants:

1. Please ensure that the login name and login email address is the same given for registration purpose.
2. The webinar access link will be e-mailed to successfully registered participants 3 days before the virtual conference's commencement date.

## Registration Form

Please retain original copy for your records. | Please photocopy for additional delegates. | Registration can be made via fax.

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#### Registration Fees

- |  |          |
|--|----------|
| <input type="checkbox"/> CTIM/ACCA Member    | RM318.00 |
| <input type="checkbox"/> Member's Firm Staff | RM350.00 |
| <input type="checkbox"/> Non-Member          | RM424.00 |

\*The above registration fees are inclusive of 6% Service Tax effective from 1 March 2019.

#### Enquiries



Tel: 03-2162 8989  
Fax: 03-2162 8990  
03-2161 3207  
Email: cpd@ctim.org.my



B-13-1, Block B, Level 13, Unit 1,  
Megan Avenue II,  
No 12, Jalan Yap Kwan Seng,  
50450 Kuala Lumpur

#### Contact Person:

Ms Zaimah (ext 119 / zaimah@ctim.org.my)  
Ms Yus (ext 121 / yusfariza@ctim.org.my)  
Ms Jaslina (ext 131 / jaslina@ctim.org.my)

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#### Replacements

Please note registrations for the event are not interchangeable but replacements are acceptable. Please notify us at least three days prior to the event if you intend to send a replacement. CPD points will be allocated to the designated attendee. If the replacement is not a Member but a Member's Firm Staff or Non-Member, the appropriate fees will apply.

#### Cancellations

The Chartered Tax Institute of Malaysia must receive cancellations in writing five working days prior to the event. Refund amount is subject to deduction of administration and finance charges. No refund will be given for cancellations received within less than five working days of the event.

#### Disclaimer

The Organiser reserves the right to change the speaker, date, venue or to cancel the event if the number of participants is less than 20. A minimum of 3 days notice will be given.

#### Recording

Video / Sound recording is strictly prohibited.

#### Webinar Access Link

The webinar access link will be e-mailed 3 days before commencement of the event upon receipt of full payment. In the event that you do not receive the access link, please contact us immediately.

#### Confirmation of Attendance

Attendance will be recorded based on participant's login and logout time.

#### Certificate of Attendance

The Certificate of Attendance will be issued to webinar participants in accordance to the guidelines issued by the Ministry of Finance.

#### Reminder

Certificate of Attendance will only be released to registered participants (must login before 10.00am), full attendance with full payment and after completion of the webinar.