



HOUTHOFF TRANSFER PRICING

DUTCH TRANSFER PRICING DOCUMENTATION: BE PREPARED!

Dutch tax law requires companies that are tax resident in the Netherlands and part of a multinational group to meet various transfer pricing documentation requirements. This is based on the OECD's three-tiered approach to transfer pricing documentation, which was implemented in Dutch law on 1 January 2016. Have you already prepared your transfer pricing documentation so that you comply with the Dutch requirements?

Depending on the level of consolidated annual group revenues, Dutch taxpayers must include various types of transfer pricing documentation in their administration. Taxpayers who do not do so risk adverse consequences, which we have outlined in the table below.

The Houthoff Transfer Pricing team has extensive experience preparing and updating the legally required transfer pricing documentation in the Netherlands. We are committed to ensuring that our clients maintain fully compliant transfer pricing documentation. We have summarised the applicable conditions and requirements for you below.

Condition	Requirement	Timing	Possible consequences of non-compliance
Consolidated group revenues of less than EUR 50 million	General transfer pricing documentation must be prepared to substantiate the arm's length nature of any intercompany transaction.	Documentation must be provided to the Dutch Tax Authorities on request.	The burden of proof regarding the arm's length nature of the transfer price may eventually shift to the taxpayer. If the Dutch Tax Authorities consider the conditions of the intercompany transaction not to be in line with the arm's length principle, it can adjust taxable profits and impose financial penalties plus interest, depending on the adjusted taxes payable.
Consolidated group revenues of at least EUR 50 million	Transfer pricing documentation must be prepared by means of a Master File and a Local File.	The taxpayer must have a Master File and Local File when the tax return of the respective fiscal year is to be filed.	Non-compliance with these requirements can result in financial penalties of up to EUR 21,750.*
Consolidated group revenues of at least EUR 750 million	In addition to the requirements listed above, a Country-by-Country report must be prepared.	The Country-by-Country report must be given to the Dutch Tax Authorities within 12 months after the end of the respective fiscal year.	Non-compliance with these requirements can result in financial penalties of up to EUR 870,000.*

* =Applicable amounts for 2020

Please contact the Houthoff Transfer Pricing team for more information about the Dutch transfer pricing documentation requirements.



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