

Circular of the State Administration of Taxation on Intensifying Investigation into and Analysis of Transfer Pricing

Wednesday, August 01, 2007 Posted: 08:25 BJT(0025 GMT)

From: fdi.gov.cn Original: Policy

Guo Shui Han [2007] No. 363

The state taxation bureaus and local taxation bureaus of all provinces, autonomous regions, municipalities directly under the Central Government, and cities specifically designated in the state plan,

With a view to regulating the investigation into and analysis of the cases concerning transfer pricing of all regions and enhancing the quality of such investigations, the related issues are hereby clarified as follows in accordance with Article 51 of the Detailed Rules for the Implementation of the Law of the People's Republic of China on the Administration of Tax Collection and the related provisions in the Rules of the State Administration of Taxation for the Taxation Management Rules for the Businesses between Associated Enterprises (Guo Shui Fa [2004] No. 143):

1. Every region shall intensify the functional risk analysis of the enterprises under investigation, and the enterprises that accept the transfer pricing investigation shall fill in the Analysis Form on Enterprise Functional Risks. The competent taxation authority shall fill in the Confirmation Form on the Analysis of Enterprise Functional Risks in light of the Analysis Form on Enterprise Functional Risks as filled in by the enterprise and by referring to other related conditions it has known through investigation, and shall submit these two forms to the State Administration of Taxation together.

2. Every region shall intensify the related financial analysis of associated transactions conducted by the enterprises under investigation, and fill in the Financial Analysis Form on the Associated Transactions between Enterprises on the basis of anti-tax avoidance investigation, and report it and the archival filing report and the case settlement report to the State Administration of Taxation.

Attachments:

1. Analysis Form on Enterprise Functional Risks (omitted)
2. Confirmation Form on the Analysis of Enterprise Functional Risks (omitted)
3. Financial Analysis Form on the Associated Transactions between Enterprises (omitted)

State Administration of Taxation

March 27, 2007

Print