# Transfer Pricing in Central and South Eastern Europe

Country Reports

Albania | Austria | Bulgaria | Croatia | Czech Republic
Hungary | Poland | Romania | Serbia | Slovakia | Slovenia

# 11 Countries. 1 Company. The TPA Group.

In **tax advisory, auditing** and **advisory,** not only the phrase “other countries, other customs” is valid but also other markets, other legislation, other languages and much more. Therefore, we await you on-site with high-quality consultancy, know-how and an understanding for your individual situation.

Because even if everything else is different, one aspect should remain the same: **your corporate success.**

Take a closer look at:
**www.tpa-group.com**

Albania | Austria | Bulgaria | Croatia | Czech Republic
Hungary | Poland | Romania | Serbia | Slovakia | Slovenia

## Foreword

OECD Base Erosion and Profit Shifting recommendations – namely, the new formal transfer pricing documentation standards consisting of Country-by-Country-Reporting, Master File and Local File – are being rolled out across the CEE/SEE region. The pace and the intensity of the tax authorities' approach and actions in the CEE/SEE jurisdictions differ. However, even though some jurisdictions may currently be considered less risky than others, businesses need to be prepared to defend their transfer pricing strategy under the new increased transparency.

Internationally coordinated documentation, mandatory disclosure and the focus on value chain analysis in the documentation have changed the perception of transfer pricing and increased the complexity of the practical application of the rules. Now, more than ever, it is essential to align transfer prices with the value creation within the group which requires a combination of sound tax and industry knowledge to effectively manage transfer pricing risk. Sooner rather than later all tax authorities will use the better access to corporate information in transfer pricing cases as a means to increase tax revenues.

This brochure, with its updated compilation of the basic transfer pricing rules in eleven Central and Eastern Europe countries, is intended to provide a 360° view of local transfer pricing rules and serve as an orientation for your transfer pricing analysis.

We hope you find this to be a useful and easy-to-use guide to what is an increasingly complex area of tax risk management!

Your TPA contacts cannot wait to discuss your transfer pricing needs in more detail and to develop tailor-made solutions for your specific transfer pricing challenges!

Mag. Iris Burgstaller

Mag. Veronika Seitweger

Mag. Klaus Bauer-Mitterlehner

## Content

This brochure summarizes the basic transfer pricing rules by answering the following twelve questions separately for the countries Albania, Austria, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia and Slovenia.

1. **Do the OECD Transfer Pricing Guidelines apply?**
2. **How are related parties defined in national legislation?**
3. **Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?**
4. **Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**
5. **What is the deadline for the submission of transfer pricing documentation?**
6. **Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)**
7. **Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?**
8. **Interest expenses/financial charges: Are there any deductibility restrictions? Do “thin capitalization” rules, requalification of debt into equity, or similar rules apply?**
9. **Do the tax authorities accept year-end transfer pricing adjustments?**
10. **Do APA opportunities exist?**
11. **Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**
12. **Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**



tpa


**Albania** ..... 4

**Austria** ..... 7

**Bulgaria** ..... 11

**Croatia** ..... 15

**Czech Republic** ..... 19

**Hungary** ..... 23

**Poland** ..... 28

**Romania** ..... 33

**Serbia** ..... 37

**Slovakia** ..... 40

**Slovenia** ..... 46

## 1. Do the OECD Transfer Pricing Guidelines apply?

Yes. Transfer pricing rules are stipulated in the Law on Income Tax (CIT), which is in line with OECD Transfer Pricing Guidelines. The Albanian Ministry of Finance has issued guidelines for taxpayers that are related to the Transfer Pricing legislation. Based on these guidelines, in the case of differences or conflicts between the OECD Transfer Pricing Guidelines and the Albanian CIT and Instructions, the Albanian Income Tax Law and Instructions prevail.

## 2. How are related parties defined in national legislation?

The CIT defines associated persons as a company or any other person who directly or indirectly holds at least 50 % of the shares/voting power of another company. An associated person is also a third person who directly or indirectly holds at least 50 % of the shares/voting power of two or more companies.

## 3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?

According to Albanian National Accounting Standards (or IFRS), the taxpayer should prepare and submit documentation regarding transactions with related parties in financial statements.

Further, based on the new rules, all controlled transactions must be reported on an annual basis by completing a Controlled Transactions Notice if the value of the transaction is above the specified threshold (more than ALL 50,000,000 (EUR 357,217)).

Based on the transfer pricing rules, taxpayers engaged in controlled transactions are also required to prepare transfer pricing documentation in line with the Albanian Ministry of Finance Guidelines. At the tax authorities' request, taxpayers should submit the transfer pricing documentation within 30 days.

## 4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?

The OECD BEPS Action Plan has not been implemented.

The Albanian Transfer Pricing Guidelines (2014) require the preparation of a local file in conformity with the OECD Guidelines (2010).

According to the guidelines of the Albanian Ministry of Finance, the transfer pricing documentation must contain the following information:

- overview of the business operations and the organizational chart;
- description of the organizational structure of the taxpayer's group (including details of all group members, their legal form, and their shareholding percentages) and the group's operational structure;
- descriptions of the controlled transactions, analysis of the comparables, information about the transfer pricing policy;
- reasons for the selected transfer pricing method, financial indicators (where relevant);
- comparability analysis, including the process of identification for comparable uncontrolled transactions;
- explanation of any economic analyses and projections;
- details of APAs in other countries that are applicable to the controlled transactions;
- conclusions regarding compliance by the conditions of the controlled transactions with the market principle (arm's length), any adjustments made.

## 5. What is the deadline for the submission of transfer pricing documentation?

The deadline is 30 days upon request from the tax authorities.

## 6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)

Transfer pricing adjustments are penalized at 0.06 % of the additional tax liability for each day of delay for no more than 365 days per year.

However, in the case of a transfer pricing adjustment, the taxpayer will only be charged the additional tax liability and default interest, and should be exempt from penalties (100 % of unpaid tax liability), if the documentation is submitted by the deadline.

The tax audit climate is the same for domestic and foreign companies, whereby the risk of closer investigation of transfer pricing issues during an audit is medium (3).

## 7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?

There are no specific rules for intra-group services.

## Albania

**8. Interest expenses/financial charges: Are there any deductibility restrictions? Do “thin capitalization” rules, requalification of debt into equity, or similar rules apply?**

There is a thin capitalization rule, according to which the interest paid on loans, not exceeding four times the net asset value of the company, is deductible. This rule does not apply to short-term loans (under 1 year) or to banks, finance leases, and insurance companies.

**9. Do the tax authorities accept year-end transfer pricing adjustments?**

Not observed.

**10. Do APA opportunities exist?**

Yes, taxpayers have an opportunity to enter into APAs. The APA procedure will be defined by a special instruction issued by the Ministry of Finance.

**11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**

CCAs/CSAs are not applicable.

**12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**

Albanian legislation follows the definition of permanent establishment and profit allocation methods as set out in the OECD Model Convention.

## Austria

**1. Do the OECD Transfer Pricing Guidelines apply?**

Yes. The OECD Transfer Pricing Guidelines are available in German – as a reference for transfer pricing issues. The Federal Ministry of Finance published the “Austrian Transfer Pricing Guidelines” in 2010. These basically follow the OECD Transfer Pricing Guidelines and summarize the main viewpoints of the Austrian financial authorities on transfer pricing matters, transfer pricing audits and procedural issues. These guidelines have yet to be updated. It is worth mentioning that the last chapter of the Austrian Transfer Pricing Guidelines refers to tax-avoiding structures using intermediary companies.

Transfer pricing rules are incorporated into the Austrian Income Tax Act and the Corporate Income Tax Act.

**2. How are related parties defined in national legislation?**

The Austrian Income Tax Act specifies that parties are related if
a) the foreign business unit is held by the same taxpayer
b) the taxpayer is a partner of the domestic and/or foreign business unit
c) the taxpayer holds a participation of more than 25 % in the foreign entity or the foreign entity holds such a participation in the taxpayer
d) the same persons manage or control the business units.

**3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required? What are the penalties for violating disclosure requirements?**

There are no annual disclosure requirements for related party transactions in the tax return. However, in 2016, Austria introduced a Transfer Pricing Documentation Law (“Verrechnungspreisdokumentationsgesetz”) in which OECD BEPS Action 13 was implemented. The law is effective for financial years starting on or after January 1, 2016. Failure to provide a complete and accurate Country-by-Country Report on time carries penalties of up to EUR 50,000.

**4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**

Yes.

a) **Country-by-Country Reporting** is required for multinational groups with consolidated revenue of at least EUR 750 million in the preceding fiscal year. Implementation is in accordance with

the OECD proposal. Austria-based parents as well as Austrian business units of multinational groups subject to the Country-by-Country Reporting obligation must disclose this fact to the Austrian tax authorities by the end of the relevant fiscal year. Reporting obligations also exist for surrogate parent entities. Any Austrian business unit may take over if the ultimate parent is not obliged to file a report in its home country, if there is no competent authority agreement in place with the home jurisdiction, or in the case of a systematic failing of the home jurisdiction of the ultimate parent.

b) **Master File/Local File:** Austrian entities with a turnover of more than EUR 50 million in the two preceding years are subject to transfer pricing documentation requirements. Additionally, a Master File must be provided to the Austrian tax authorities on request if a foreign group entity is obliged to prepare such documentation. The content of the Master File/Local File generally follows the OECD recommendation. Precise details of the required information to be provided in the Master File/Local File are provided in a separate Ministerial Ordinance.

Please note that entities below the EUR 50 million threshold are also required to prepare "suitable" tax documentation for related party transactions, even though they are not subject to the documentation obligation stated in the Austrian Transfer Pricing Documentation Law.

### 5. What is the deadline for the submission of transfer pricing documentation?

The Master File and Local File should be prepared contemporaneously and, after the tax return has been filed for a given year, they must be presented to the tax authorities within 30 days upon request. The CbC Report has to be filed within 12 months after the last day of the fiscal year.

### 6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)

There are no specific transfer pricing penalties. However, interest on late payments may be imposed if corporate taxes are not paid by the prescribed statutory deadline. Penalties and criminal charges are triggered in cases of tax fraud and willful and abusive tax evasion. The tax authorities are examining transfer pricing cases from a criminal standpoint with increasing frequency.

### 7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?

No specific legislation exists. The OECD's approach to low value-adding services is generally accepted. Management fees are deductible, provided that the fee is at arm's length and the benefit test is passed.

### 8. Interest expenses/financial charges: Are there any deductibility restrictions? Do "thin capitalization" rules, requalification of debt into equity, or similar rules apply?

Intercompany interest is not deductible if the group recipient benefits from a low-tax jurisdiction or a special tax regime. Specifically, the deductibility of interest payments made to related parties is denied if payments are taxed at an income tax rate (statutory or effective) lower than 10 % at the level of the recipient.

Interest relating to the acquisition of shares from a related party is also not deductible.

Apart from these rules, no explicit thin capitalization rules currently exist in Austrian tax law. However, following Austrian tax practice and Supreme Administrative Court decisions, under certain specific circumstances intra-group debt may be reclassified as hidden equity. The criteria which need to be checked in each individual case for such a requalification are:

- Lack of written agreement and lack of arm's length terms (interest rate, redemption clause, duration, security) for the agreement;
- Equity would have been necessary from an economic perspective;
- Debt-to-equity ratio is significantly lower than is usual in a company's industry;
- An unrelated party would not have granted a loan to the company.

No decision has been taken on how and when Austria will implement the Interest Limitation Rule according to Article 4 of the EU Anti-Tax Avoidance Directive. Currently, it is assumed that implementation will be postponed until 2024.

### 9. Do the tax authorities accept year-end transfer pricing adjustments?

There are no specific rules regarding year-end adjustments in Austrian tax law. The Austrian Transfer Pricing Guidelines (2010) generally refer to the ex-ante approach. However, year-end adjustments are accepted by the tax authorities under certain circumstances, especially if they constitute a common business practice among third parties and are agreed in advance and on clear terms.

## Austria

### 10. Do APA opportunities exist?

A unilateral advance ruling procedure has been in place since January 1, 2011. The administrative fees for processing applications for unilateral APAs vary from EUR 1,500 to EUR 20,000, depending on the company's size.
A taxpayer may also enter into bilateral/multilateral advance pricing agreements (APAs) with the tax authorities if a Double Tax Treaty envisages a Mutual Agreement Procedure with the related country.

### 11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?

CCAs have been accepted in the Austrian Transfer Pricing Guidelines (2010) based on the following conditions:
- They are agreed upon in advance on the basis of a written contract, which at least sets out the rationale of the cost sharing agreement, the costs to be shared between the parties, the calculation of buy-in/buy-out clauses (if any), and the allocation keys applied for the cost splitting.
- The cost sharing agreement is to the mutual benefit of the parties.
- There is proper documentation of the logic behind the cost splitting and the respective benefits to the parties.

While there has not been an amendment of the Austrian Transfer Pricing Guidelines, it is expected that CCAs will no longer be accepted if they refer to the core business of the entity, in compliance with the new approach in the OECD Transfer Pricing Guidelines (2017).

### 12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?

Income allocated to the Austrian permanent establishment (PE) must be assessed on an arm's length basis. In Austria, there is no specific guidance on the profit attribution to a PE; the OECD rules on the attribution of profits to PEs apply.

A taxpayer should prepare documentation regarding the principles of allocation of profit to the PE. Under the Austrian Transfer Pricing Guidelines, this documentation should, in particular, cover the following items:

- Functional, risk, and asset analysis;
- Description of the profit allocation method;
- Arm's length reference (economic analysis).

## Bulgaria

### 1. Do the OECD Transfer Pricing Guidelines apply?

Although Bulgaria is not a member of the OECD, the local transfer pricing regulations follow the OECD guidelines.

The general transfer pricing provisions are stated in the Corporate Income Tax Act (CITA), the Act on Income Taxes of Natural Persons (AITNP), and the Value Added Tax Act (VATA). Relevant provisions are also included in the Tax Insurance Procedure Code (TIPC). The Ministry of Finance has issued a special ordinance on implementation of the transfer pricing methods. The Bulgarian National Revenue Agency has produced a transfer pricing manual, which provides guidelines for both tax officers and taxpayers, although it is not legally binding.

### 2. How are related parties defined in national legislation?

The definition of related parties is stated in the TIPC. The following persons are considered to be related:

- spouses, lineal ascendants or descendants, and collateral relatives up to the third degree or up to the second degree for in-law lineage
- employer or employee
- partners
- any person who participates in the management of the other party or its subsidiary
- persons of whose managing/controlling bodies one and the same natural/legal person is a member, including if the physical person represents another person
- a subject who directly owns more than 5 % of the voting shares in the company
- persons with a control relationship between them
- two persons whose activity is controlled by a third person or its subsidiary
- persons who jointly control a third party or its subsidiary
- two persons where one of them is a trade representative of the other
- two persons, one of whom has made a donation to the other
- persons participating directly or indirectly in the management, control, or capital of another person.

For taxation purposes, a controlling person is the one who:

- directly or indirectly holds more than 50 % of the voting rights at the general meeting of another person
- has the option to directly or indirectly nominate more than 50 % of the managing or controlling members of another party

- has the option to manage the activity of another party due to the contract or to its status
- as a shareholder or partner in a company, independently controls, by virtue of an arrangement with other partners/shareholders of the same company, more than 50 % of the voting rights at the general meeting of the company
- may have a significant influence on the decisions regarding the company's activity.

**3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?**

Since 2013, the annual corporate tax return has included an additional appendix relating to the disclosure of transactions between the taxpayer and related parties. No further disclosure is required.

Failing to submit appendices to the tax return or presenting false data leads to penalties in the range of EUR 50 – EUR 500. A subsequent violation of this provision involves a penalty in the range of EUR 100 – EUR 1,000.

No transfer pricing study is formally required, except for large multinational groups (see 4.), and no penalties are imposed for its absence.

**4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**

The documentation standard under OECD BEPS Action 13 has been implemented with regard to Country-by-Country Reporting. The thresholds are consolidated revenue of at least EUR 750 million for MNEs where the ultimate parent company is not established in Bulgaria and EUR 50 million for local MNEs. The first year for which the CbCR will be filed is 2016. If the filing entity is a group company of the MNE other than the ultimate parent company or a substitute for the ultimate parent company, the first year for which the CbCR will be filed is 2017.

Despite not being explicitly stated in the local transfer pricing regulations, the Master File and the Local File should be part of the transfer pricing documentation and will be requested by the tax administration in the event of an audit.

**5. What is the deadline for the submission of transfer pricing documentation?**

There are no statutory deadlines for the submission of transfer pricing documentation. However, the general period in administrative proceedings is 14 days. The taxpayer is entitled to ask for an extension of the submission period of up to 3 months.

**6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)**

Tax adjustments generally do not result in additional penalties. However, there is an exception in the case of a hidden profit distribution, where a penalty is imposed of 20 % of the assessed amount of the distribution plus the penalty interest at 10 % p.a. on the additional corporate tax.

Although tax audits in respect of transfer pricing matters are still not very common, the current trend is toward an aggressive tax audit climate (4).

**7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?**

There are no specific provisions in this area. The simplified OECD BEPS approach for low value-adding services should be acceptable for the Bulgarian tax administration.

**8. Interest expenses/financial charges: Are there any deductibility restrictions? Do "thin capitalization" rules, requalification of debt into equity, or similar rules apply?**

Fines and non-commercial penalty interest are not deductible. The thin capitalization rule is triggered when the debt/equity ratio exceeds 3:1. The non-deductible interest is calculated as follows:

Interest expenses
– Interest income
– EBIT * 75%
= Non-deductible interest (if positive)

## Bulgaria

**9. Do the tax authorities accept year-end transfer pricing adjustments?**

Year-end adjustments are generally acceptable. Such adjustments should also be considered from a VAT perspective.

**10. Do APA opportunities exist?**

The legislation does not provide for APAs. However, the taxpayer can receive a non-binding opinion from the tax authorities.

**11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**

No special regulation on this matter exists; general tax provisions apply.

**12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**

The Corporate Income Tax Act contains specific rules regarding profit allocation between a PE and the rest of the enterprise.
The income resulting from cross-border transfers from a Bulgarian PE to another division of the same enterprise is recognized for tax purposes only with arm's length prices and when:

- the transfer corresponds with ordinary transactions by the PE with third parties
- the ordinary activity of the PE consists of similar transfers to other divisions of the enterprise.

The expenses in connection with goods, services and rights, which are the result of a transfer from another foreign division of the same enterprise to the PE in Bulgaria, are considered to be at arm's length for tax purposes when:

- the transfer corresponds with an ordinary transaction by the division with third parties
- the ordinary activity of the division consists of similar transfers to other divisions of the enterprise
- the expenses are related to the ordinary activity of the PE in connection with the sale of goods, services, and transferred rights.

Local documentation of the profit allocation is mandatory.

## Croatia

**1. Do the OECD Transfer Pricing Guidelines apply?**

The Croatian transfer pricing rules generally follow the OECD Guidelines, although no direct reference exists.

The arm's length principle is defined in the Profit Tax Act and the Corporate Income Tax Act, which also define the applicable methods and the required documentation.

The arm's length principle generally only applies to cross-border transactions between related parties. Under certain conditions, this principle also applies to transactions between domestic entities if one of the entities is entitled to tax relief or has a right to carry forward tax losses from previous tax years.

**2. How are related parties defined?**

The General Tax Act defines affiliated persons as legally independent companies which, in their mutual relations, satisfy the following:

- Two or more natural or legal persons who/which, in order to fulfill the obligations under the tax debt relationships, constitute a single risk because one of them, directly or indirectly, controls the other(s) or, directly or indirectly, has significant influence on the other(s);
- Apart from control or significant influence, related entities are also those where deterioration or improvement of the economic and financial situation of one person can cause deterioration or improvement of the economic and financial situation of the other(s) because there is a possibility of the transfer of losses, profits, or payment capability.

**3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?**

The documentation has to be prepared and updated on an annual basis. It should, in principle, be done contemporaneously since it must be presented to the tax authorities upon request. Normally, it is expected that the documentation is prepared with the yearly corporate income tax return.

**4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**

Yes.

a) Country-by-Country Reporting requirements are applicable in Croatia on the basis of the Law on Administrative Cooperation in the Area of Taxes and the Regulation on Automatic Exchange of Information in the Area of Taxes. The CbCR filing requirement applies to MNE groups with total consolidated group revenue of EUR 750 million where the ultimate parent entity is required to file the CbCR in the jurisdiction where it is tax resident.

b) Master File/Local File: The minimum content of transfer pricing documentation is defined in Croatian transfer pricing legislation, which generally follows the OECD principles. The documentation has to be filed in Croatian.

Master File documentation is generally accepted, provided that it includes the necessary information defined in the Croatian transfer pricing guidelines and is updated regularly.

**5. What is the deadline for the submission of transfer pricing documentation?**

Large taxpayers must disclose certain information regarding their transfer pricing methodology in the yearly tax returns and must submit their documentation by April 30 of the following year. For small and medium-sized taxpayers there is no such deadline.

**6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)**

There are no specific penalties for transfer pricing adjustments.
The general penalty rules apply:

- The Profit Tax Act stipulates fines between HRK 2,000 (EUR 262.40) and HRK 200,000 (EUR 26,237).
- On any additional taxable income resulting from a transfer pricing adjustment, the standard rate of 18 % is applicable, while the penalty interest is equal to 7.68 %.
- The person responsible for the entity is sanctioned with a penalty ranging from HRK 500 (EUR 65.60) to HRK 20,000 (EUR 2,623.60).

The tax authorities are in the process of rapidly building up experience in transfer pricing. Generally, the tax audit climate is at 3 on the scale. The approach regarding management fees, cost contribution agreements, and royalties is very aggressive.

**7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?**

The simplified OECD BEPS approach for low value-adding services is not applicable at the moment.

**8. Interest expenses/financial charges: Are there any deductibility restrictions? Do "thin capitalization" rules, requalification of debt into equity, or similar rules apply?**

Croatia applies the excessive interest rule, which means that the interest on a loan received by a resident related party from a non-resident taxpayer is deductible only up to the rate that is published by the Croatian Minister of Finance.

Additionally, the interest charged on a loan is considered non-deductible if the loan was given by a foreign shareholder that holds more than 25 % of the capital shares or voting power and the loan exceeds four times the amount of that shareholder's capital shares or voting power. If the loan is granted by a third party, but guaranteed by the shareholder, the same rules apply. The thin capitalization rules do not apply to loans received from banks or other financial institutions.

**9. Do the tax authorities accept year-end transfer pricing adjustments?**

Year-end self-initiated adjustments are generally allowed. Adjustments in the tax return are only allowed within 3 years from the deadline for filing the corporate income tax return. In the case of a tax audit, the adjustment can be made no later than prior to delivery of a tax audit notice.

**10. Do APA opportunities exist?**

APAs are regulated in the Corporate Income Tax Act and are binding both for taxable persons as well as for the tax authorities for the period for which they are concluded.

**11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**

Generally, these agreements are accepted provided that the local company has sufficient documentation to prove the arm's length character and economic benefit from this agreement. In practice, such agreements are subject to extreme scrutiny by the tax authorities.

## Croatia

**12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**

For tax purposes, the permanent establishment is treated as a separate entity. Profit is attributed in the same amount as if a permanent establishment were a separate and independent entity engaged in the same/similar activities. For the profit calculation, the expenses related to the permanent establishment are deductible. These expenses also include general management and administrative expenses incurred in Croatia or abroad. Local documentation is necessary.

## Czech Republic

**1. Do the OECD Transfer Pricing Guidelines apply?**

Yes, application of the OECD Transfer Pricing Guidelines is stated in the Income Tax Act and a separate Guidance document.

The Ministry of Finance of the Czech Republic has also issued separate Guidance documents on the application of international standards for taxation of the transactions between related parties, on Advance Pricing Agreements, and on the scope of transfer pricing documentation.

In 2012, a Guidance document regarding low-value intra-group services was published by the General Financial Directorate.

**2. How are related parties defined in national legislation?**

The definition of related parties for transfer pricing purposes is contained in the Income Tax Act. Entities are defined as related parties if:

- One entity directly or indirectly holds at least a 25% share of the capital or voting power of another entity or other entities.
- The same entity (person) participates in management or control of other entities.
- They are individuals who are close relatives.
- They enter into a commercial relationship with each other mainly for the purpose of reducing the tax base (or increasing a tax loss).

**3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?**

Information regarding transactions with related parties is included in the notes to the financial statements. Relations with foreign related parties only need to be disclosed in the corporate tax return.
The taxpayer has an obligation to fill in a compulsory attachment to the tax return relating to transfer pricing if one of the following criteria is met:

- the taxpayer's assets exceeded CZK 40 million (EUR 1,480,385);
- the taxpayer achieved net revenue in excess of CZK 80 million (EUR 2,960,770); or
- the taxpayer's average number of employees exceeded 50.

There is no compulsory transfer pricing documentation; however, the transfer pricing documentation is often asked for by the tax authorities during tax audits.

**4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**

a) Yes, however the transposition of Country-by-Country Reporting into Czech legislation is still in process. The final version of the relevant law is expected during 2017.

b) Application of the Master File/Local File concept for documentation purposes is voluntary. The companies may decide whether to process one set of documentation which contains all the required information or to process the Master File and Local File.

**5. What is the deadline for the submission of transfer pricing documentation?**

Since the transfer pricing documentation is not mandatory, there is no deadline for its submission.

**6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)**

The interest for late payment of the tax liability is equal to the interest rate of the repo rate of the Czech National Bank, valid from the first day of the semester, plus 14 percentage points p.a. A general statutory penalty applies to the assessment of the additional tax in the amount of:

- 20 % if the tax is increased,
- 1 % if the tax losses are reduced,

if the additional assessment is initiated by the tax authorities.
If the additional assessment is initiated by the taxpayer, no penalty is charged.

There has been an increase in specialized tax audits in the area of transfer pricing since 2011. The tax authorities have had specific training. The tax audit climate is assessed as medium (3) and trending upward.

**7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?**

A simplified approach for low value-adding services is applicable if special conditions are met. These conditions are specified in a specific Guidance document by the General Financial Directorate:

- The transactions must not constitute the main business activity of the company.
- The volume of the transaction may not exceed the amount of CZK 50 million (EUR 1.85 million) and 10 % of the turnover on the side of the provider, and the transaction cannot exceed the amount of CZK 50 million (EUR 1.85 million) and 20 % of the operating costs on the side of the recipient.
- The mark-up should be in the range of 3 % – 7 %.

**8. Interest expenses/financial charges: Are there any deductibility restrictions? Do “thin capitalization” rules, requalification of debt into equity, or similar rules apply?**

Generally, a taxpayer may deduct interest paid on an accrual basis, irrespective of the date of payment. Interest related to non-taxable/exempt income or gains is not deductible. Further, financial expenses (interest and other financial expenses) are tax-deductible if:

- they do not relate to profit participating loans, and
- to the extent that the debt-to-equity ratio on loans from related parties does not exceed 4:1 (for banks and insurance companies 6:1 applies).

The debt-to-equity test also applies to interest on loans that are arranged through a third-party intermediary (so-called “back-to-back” loans).
In addition, the terms of loans between related parties (including interest) must comply with the arm’s length principle.
Interest paid to related parties in excess of an arm’s length rate and interest that is not deductible due to the application of the thin capitalization rule are regarded as a hidden distribution and, if not exempted, they may be subject to a withholding tax.
However, the above-mentioned rules concerning hidden distributions do not apply to interest paid to an EU or EEA resident.

**9. Do the tax authorities accept year-end transfer pricing adjustments?**

Yes, year-end adjustments are allowed and, moreover, in some cases also required.

**10. Do APA opportunities exist?**

Yes. APAs are regulated by a specific Guidance document issued by the Ministry of Finance concerning the Binding Ruling on transfer pricing. The fee for submitting the application is CZK 10,000 (EUR 370).

## Czech Republic

**11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**

Yes, cost contribution arrangements and cost sharing agreements are accepted in the Czech Republic.

**12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**

The OECD Report on the Attribution of Profits to Permanent Establishments generally applies. There are no legislative regulations relating to documentation on PE profit allocation. However, it is usually necessary for the PE tax base calculation.



## Hungary

**1. Do the OECD Transfer Pricing Guidelines apply?**

The Corporate and Dividend Tax Act contains regulations adopted in conformity with the Organization for Economic Cooperation and Development (OECD) publications, including the related protocols and accession statements:

- Model tax convention on income and on capital
- Transfer pricing guidelines for multinational enterprises and tax authorities.

Transfer pricing has been introduced in the Corporate and Dividend Tax Act, which prescribes the use of the arm's length principle in dealings between associated enterprises. A separate Decree by the Ministry of Finance contains more detailed information on transfer pricing issues. In complying with the harmonisation requirement of the European Union on OECD's BEPS Action Plan, CbC Report must be prepared.
The first CbC reports and notifications must be filed for the fiscal year commencing on or after 1 January 2016, within 12 months of the last day of the fiscal year.

**2. How are related parties defined in national legislation?**

Related parties are defined in the Corporate and Dividend Tax Act. Related parties are parties with direct or indirect majority control or majority voting power. Majority power/control means that the person/company holds more than 50 % of the votes in another company, directly or indirectly, or the shareholder/member has a right to appoint or dismiss the majority of the executive officers and/or supervisory board members of another company. Since 2015, the taxpayer and another person have also been classified as related parties if, because of the same managing director, decisive power is exercised between them with regard to business and financial policy.

**3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?**

Companies are obliged to prepare documentation regarding transfer prices, including calculations, for every fiscal year. The deadline for preparation is the date of the corporate tax return submission (no later than the 150th day after the end of the fiscal year).

The taxpayer should state in the tax return that the transfer pricing documentation is in accordance with the European documentation standards. However, the taxpayer does not have to submit the

prepared transfer pricing documentation to the tax authorities before it is requested to do so during the tax audit.

Default penalties for errors in the documentation can be up to HUF 2 million (EUR 6,435) for every controlled transaction that is not included or not properly included in the documentation. In the case of repeated errors in the documentation, the penalty can be set at an amount equal to four times the penalty charged in the first case. If the time between two defaults exceeds 2 years, the penalty for repeated infringement is not applied.

The taxpayer must document each intercompany contract and agreement by the time the corporate income tax return is submitted. The documentation is not required in the following cases:

- A transaction is based on a contract signed with an individual who does not act as a private entrepreneur
- An entity is a small enterprise.

The extended exception for taxpayers who do not have to prepare documentation includes the following transactions:

- Transactions supported by an APA
- Cost recharge transactions when provided by a third independent party
- Free cash transfers
- Starting from June 21, 2013 – transactions where the threshold in the tax year does not exceed HUF 50 million (EUR 161,093).

**4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**

a) Country-by-Country Reports must be prepared. The first CbC reports and notifications must be filed for the fiscal year commencing on or after January 1, 2016 within 12 months of the last day of the fiscal year.

b) Master File/Local File: There are specific documentation requirements in Hungarian tax law with specific content. There are different kinds of documentation in Hungary.

Separate documentation – the Transfer Pricing Decree issued in 2009 enables taxpayers to prepare the documentation in line with the EU Master File concept, which includes the central file and the country-specific files. However, the tax authorities require some information additional to the EU TP documentation concept.

The centralized documentation contains two main parts – the Master File that consists of the standardized information about all company group members resident in any Member State of the EU and specific documents demonstrating the differences between the taxpayer and its related parties.

Consolidated documentation – the documentation has to be prepared per related party contract or controlled transaction. However, since preparing documents for every contract separately imposes a significant burden on the taxpayer, consolidated documentation is allowed if:

- Such documentation does not hinder comparability
- The subjects of the contract and all the main terms and conditions of agreement are identical
- The contracts are closely related.

This documentation must also contain the reasons for consolidation. The taxpayer can choose whether to prepare separate documentation or centralized documentation, but the documentation in both cases must be prepared for each controlled transaction separately. If some conditions are met, the taxpayer can prepare consolidated documentation for a number of contracts.

**5. What is the deadline for the submission of transfer pricing documentation?**

The documentation must be submitted within 3 days after a request from the tax authorities during the tax audit.

**6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)**

If a tax underpayment exists, the tax authorities can charge a tax penalty of up to 50 % of the tax underpayment. Late payment interest relating to the underpayment can be charged with additional interest. The number of tax audits on transfer pricing issues is growing at a rate of approximately 50 % a year.

**7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?**

The Hungarian tax administration issued a decree in 2009 which envisaged simplified documentation for low value-adding intra-group services. No explicit reference is made to the simplified OECD BEPS approach.

Management fees are deductible provided that they are business-related. It must also be proven that such services were actually rendered and were provided in the company's interests, and the fees were paid at arm's length.

**8. Interest expenses/financial charges: Are there any deductibility restrictions? Do "thin capitalization" rules, requalification of debt into equity, or similar rules apply?**

The Corporate and Dividend Tax Act mentions that interest charged has to be at arm's length. To calculate such interest for loan transactions, the creditworthiness of the borrower has to be established. Interest must also be based on comparable transactions.

Thin capitalization rules are also stated in the Corporate and Dividend Tax Act: If the liabilities (outstanding debt securities, average daily balance of outstanding loans, but excluding liabilities resulting from financial institutions) exceed three times the equity capital (average daily balance of subscribed capital, capital reserve, profit reserve, and tied-up reserves), the corresponding portion of interest on the liabilities exceeding the threshold is non-deductible.

**9. Do the tax authorities accept year-end transfer pricing adjustments?**

Basically yes, but adjustments must be supported by evidence explaining why these adjustments are economically necessary.

**10. Do APA opportunities exist?**

Yes, a law regarding APAs was introduced in 2007. The arm's length price of a transaction between related parties may be determined for the future in a legally binding resolution.
The fee depends on the type of procedure:

- Unilateral procedure, where the arm's length price may be calculated via traditional transactional methods (CUP, RPM, CPM) – at least HUF 500,000 (EUR 1,613) with a cap of HUF 5 million (EUR 16,133)
- Unilateral procedure, where the arm's length price may be calculated via other non-traditional transactional methods – at least HUF 2 million (EUR 6,452) with a cap of HUF 7 million (EUR 22,591)
- Bilateral procedure – at least HUF 3 million (EUR 9,680) with a cap of HUF 8 million (EUR 25,811)
- Multilateral procedure – at least HUF 5 million (EUR 16,133) with a cap of HUF 10 million (EUR 32,263).

**11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**

Yes, although there is no specific legislation or regulation regarding CCAs in Hungary. The Corporate and Dividend Tax Act and the specific chapter in the OECD Guidelines (2017) should be followed.

**12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**

PEs are considered to be related parties, and transfer pricing rules apply to them as well. Therefore, every transaction and agreement between a PE and the head office has to be documented. Exceptions to transfer pricing rules relate to transactions between a domestic taxpayer's foreign PE and its associated parties if the tax base of the domestic enterprise is modified under a Tax Treaty.

tpa

**1. Do the OECD Transfer Pricing Guidelines apply?**

Yes. Polish transfer pricing regulations follow the OECD Transfer Pricing Guidelines and incorporate the OECD BEPS Actions 8-10 and 13.

The relevant transfer pricing provisions are contained in the Corporate Income Tax Act and the Personal Income Tax Act. Further transfer pricing regulations are stated in the Regulation by the Minister of Finance on methods and procedures for determining the taxable income of legal entities and methods and procedures for eliminating double taxation in the case of a transfer pricing adjustment.

**2. How are related parties defined in national legislation?**

The tax laws define parties as related if an entity directly or indirectly owns at least 25 % of the capital of another entity or participates directly or indirectly in its management or has direct or indirect control over it.

Also defined as related parties are entities that have a common shareholder that owns at least 25 % of the capital of each of these entities, or where there is one entity that participates directly or indirectly in the management of both these entities or has direct or indirect control over both of them.
The term "entity" includes one or more corporate entities (taxpayers), partnerships, and individuals, and may also cover permanent establishments.
The domestic entities could also be connected via family, employment, or property relationships between domestic entities or the managerial, controlling, or supervisory personnel of those entities. They may also be connected if any person jointly performs managerial and/or controlling or supervisory functions in those companies.

**3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?**

All taxpayers who are obliged to prepare transfer pricing documentation – i.e. taxpayers with annual revenues or expenses exceeding EUR 2 million and taxpayers performing transactions with tax haven-based entities (from an amount of EUR 20,000) – are obliged to attach to their annual tax returns a written statement that transfer pricing documentation has been prepared for the given tax year.

Taxpayers with annual revenues or expenses above EUR 10 million are additionally obliged to attach to their tax returns special information about transactions/events with related entities and tax haven-based entities.

Additionally, other transfer pricing information should be disclosed if a taxpayer has entered into an agreement with a non-Polish resident, which is a related party, and the transaction amount exceeds EUR 300,000.
A transfer pricing study (benchmarking study) is required from taxpayers whose annual revenues/expenses exceed EUR 10 million.

While there are no specific penalties for the absence of transfer pricing documentation, there is a risk that tax authorities may claim that failure to prepare such documentation is a fiscal offence (under the Fiscal Criminal Code). Furthermore, a lack of transfer pricing documentation enables the tax authorities to impose a 50 % penalty tax rate in the case of income adjustments.

**4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**

Yes, the documentation standard under OECD BEPS Action 13 has been implemented.

a) Country-by-Country Reporting is mandatory for multinational groups with consolidated revenue of at least EUR 750 million. The first year for which the reports need to be filed is the 2016 fiscal year.

b) The type of transfer pricing documentation depends on the taxpayer's annual revenues or expenses:

- above EUR 2 million: Local File (the Local File provides detailed information about the transaction/event and the parties);
- above EUR 10 million: as above, plus a benchmarking study and additional information with the tax return;
- above EUR 20 million: as above, plus a Master File (information about the group of associated entities).

In addition, there are transaction thresholds which trigger the TP documentation obligation. These are fixed and depend on the annual revenue.

**5. What is the deadline for the submission of transfer pricing documentation?**

Polish regulations provide a deadline for possessing transfer pricing documentation – 3 months after the end of the given tax year. Upon request from the tax authorities, the taxpayer has 7 days to present the requested transfer pricing documentation to them.

**6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive).**

If the taxpayer fails to provide proper transfer pricing documentation, additional income assessed by the tax authorities during a tax audit will be subject to a 50 % penalty tax rate. Otherwise, the taxpayer's assessed income will be taxable at the standard tax rate (i.e. 18 %, 19 %, or 32 % – depending on the taxpayer's legal form and the nature of the income).

The tax arrears resulting from tax audits are subject to penalty interest at the annual rate determined as 2 % plus 200 % of the Lombard rate announced by the Polish National Bank (in August 2017 – 8 %).

Under certain conditions, the preferential penalty interest amounting to 50 % of the standard penalty interest rate could be applied.

Currently, there is a medium probability of a tax audit; however, when a tax audit occurs, it is very likely that the transfer pricing documentation and methodology will be examined (climate level 3–4). It is, however, worth noting that Polish fiscal policy is becoming more restrictive, and the amount of tax audits conducted by Polish tax authorities, and tax collected thanks to them, is visibly growing.

**7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?**

There are specific Polish regulations which deal with low value-adding services. A definition of low value-adding services, along with a list of such services, and the special procedure for investigating them, were introduced into Polish provisions in July 2013. The specific rules provide documentation possibilities. However, no safe harbor of mark-ups has been introduced into Polish legislation.

**8. Interest expenses/financial charges: Are there any deductibility restrictions? Do "thin capitalization" rules, requalification of debt into equity, or similar rules apply?**

Interest on loans and statutory interest on all other contracts cannot be higher than four times the Lombard rate determined by the Polish National Bank (as of March 5, 2015 the maximum interest amounts to 10 %).

Interest expenses/financial charges are generally tax-deductible, but this takes into account the thin capitalization rules, the subject of which is interest related to loans granted by qualified (i.e. related) lenders. Interest payable on such a loan in a part exceeding the taxpayer's equity toward qualified lenders is not tax-deductible.

The taxpayer is allowed not to use the aforementioned thin capitalization limitations if he decides to apply the alternative method of calculation of interest that might be tax-deductible. This method allows a deduction of interest on all loans (not just to related parties) that do not exceed:

- the value of the taxpayer's assets multiplied by a reference rate published by the Polish National Bank (in August 2017 the reference rate amounted to 1.50 %) plus 1.25 percentage points, and
- the value of half of a taxpayer's profit on operational activity.

There are no rules regarding the requalification of debt into equity.

**9. Do the tax authorities accept year-end transfer pricing adjustments?**

Yes, year-end transfer pricing (compensating) adjustments are permitted in principle.

**10. Do APA opportunities exist?**

Yes, APAs are possible. The APA opportunities are determined in the Tax Ordinance Act. The fee amounts to 1 % of the value of the transaction subject to APA with the following restrictions:

- For unilateral APAs relating to a transaction between domestic entities, the fee must not be less than PLN 5,000 and must not exceed PLN 50,000 (approximately EUR 1,190 – EUR 11,905)
- For unilateral APAs relating to a transaction involving a foreign entity, the fee must not be less than PLN 20,000 and must not exceed PLN 100,000 (approximately EUR 4,762 – EUR 23,810)
- For bilateral/multilateral APAs, the fee must not be less than PLN 50,000 and must not exceed PLN 200,000 (approximately EUR 11,905 – EUR 47,619).

**11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**

Yes, CCAs/CSAs are accepted in principle.

**12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**

Poland follows the OECD Guidelines. The attribution of profit should be based on the separate trading accounts of a permanent establishment. If no such accounts exist, the tax authorities are entitled to assess the income of the permanent establishment by applying the

## Poland

following ratios of income to taxable revenue:
- 5 % for trading activity
- 10 % for building and installation activity, and transport
- 60 % for intermediaries receiving a commission
- 80 % for legal and evaluation services
- 20 % for other businesses.

It is permitted to use a transfer pricing analysis to allocate profit to a PE. According to Polish law, a permanent establishment is regarded as a taxpayer and it is necessary to document its profit locally.

## Romania

**1. Do the OECD Transfer Pricing Guidelines apply?**

Yes, tax legislation provides that the Romanian tax authorities should consider the OECD Transfer Pricing Guidelines, although Romania is not an OECD member.

The general definitions and rules for transfer pricing are provided by laws issued in 2015 regarding the Fiscal Code and the Fiscal Procedural Code, which contain relevant regulations for transfer pricing. There is a specific order issued in 2016 by the National Agency for Tax Administration which relates to the content of the transfer pricing file.

**2. How are related parties defined in national legislation?**

Two entities are considered to be related parties if they fall under the above definitions:
- the first entity directly or indirectly holds at least 25% of the shares (number/value) or voting power of the other entity or it has effective control over the other entity;
- the second entity directly or indirectly holds at least 25% of the shares (number/value) or voting power of the first legal entity;
- a third entity directly or indirectly holds a minimum of 25% of the shares (number/value) or voting power of both entities.

A natural person is considered to be related to a legal entity if this person directly or indirectly holds at least 25% of the shares (number/value) or voting power of the legal entity or it has effective control over the legal entity.

**3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?**

The transactions performed between related parties must be documented annually and disclosed in the transfer pricing file prepared in accordance with the 2016 Romanian legislation.

A transfer pricing study is required and should be included in the transfer pricing file. There are special rules depending on the size of the taxpayer (i.e. large, medium, and small taxpayers), and materiality thresholds are also defined for three types of transactions, which impact the timing of the preparation and the content of the transfer pricing documentation.

**4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**

Yes.

a) Country-by-Country Reporting standards were implemented in the local tax legislation from June 2017.

b) In accordance with the Romanian fiscal legislation that provides transfer pricing regulations, the concepts of "Master File" and "Local File" are not implemented in Romania.
As per the Romanian provisions, the transfer pricing file that should be prepared by Romanian companies must contain significant information about the group (generally, this type of information is provided to us by the client within the Master File prepared at the level of the group in question).
Moreover, the concept of "Local File" does not accurately apply in Romania since Romanian companies falling under the transfer pricing regulation have the obligation to prepare the transfer pricing file only for the transactions incurred at their level and not at a local level (i.e. there would be no cumulated file for all the entities residing in Romania). In addition to the information about the group, detailed information about the taxpayer must be presented.

**5. What is the deadline for the submission of transfer pricing documentation?**

The deadline for presenting the transfer pricing documentation file is between three and six months, with the possibility of a single extension for a period of 30 days maximum.

**6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)**

The sanctions for not complying with the provisions of the tax legislation are provided in the Fiscal Procedure Code. A number of different penalties may also apply. For additional assessed taxable income resulting from adjustments a profit tax rate of 16 % applies, as do late payment interest and penalties set at 0.03 % per day of delay.

The likelihood of a tax audit is considered medium-high, but there is a very high possibility that transfer pricing issues will be examined during an audit. Loss-making companies are more likely to be subject to tax audits. The tax audit climate is medium-high (4).

**7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?**

There is no specific legislation and no specific reference to the OECD approach for low value-adding services. Management fees and service fees are always under high scrutiny in the case of a tax audit.

**8. Interest expenses/financial charges: Are there any deductibility restrictions? Do "thin capitalization" rules, requalification of debt into equity, or similar rules apply?**

Interest expenses are deductible if they do not exceed the level of the reference interest rate of the last month in the respective quarter, defined by the National Bank of Romania for loans in the Romanian currency. However, for loans in a foreign currency, the deduction limit is 4 % for the year 2016. This threshold is regularly updated by Government Decisions.

Thin capitalization rules apply for long-term loans (maturity period of over 1 year). These rules are defined in article 27 of the Fiscal Code. Interest expenses are fully deductible if the debt-to-equity ratio is positive and is lower than or equal to 3:1.
Romanian tax legislation contains a legal framework which might allow the requalification of debt into equity under certain conditions.

**9. Do the tax authorities accept year-end transfer pricing adjustments?**

There is no regulation regarding year-end adjustments.

**10. Do APA opportunities exist?**

Yes, unilateral, bilateral, and multilateral APAs are available.

A fee of EUR 20,000 (and EUR 15,000 for amendment of the APA) applies to large taxpayers for transactions with an annual consolidated value exceeding EUR 4 million. A fee of EUR 10,000 (and EUR 6,000 for amendment of the APA) applies to other taxpayers.

**11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**

Yes, but they are often examined by the tax authorities and should be properly documented.

## Romania

**12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**

The relevant business activity approach and functional separate entity approach should apply when allocating a profit to the Romanian PE. The tax authorities follow the 2010 OECD Report on the Attribution of Profits to PEs. At present, BEPS changes are expected to be implemented in the local legislation, which will have an impact on the specifics regarding profit allocation.

## Serbia

**1. Do the OECD Transfer Pricing Guidelines apply?**

Yes, the local transfer pricing legislation follows the OECD Guidelines. The general rules are introduced in the Corporate Income Tax Law. Further, a transfer pricing rulebook was published in the Official Gazette in 2013 and 2014.

**2. How are related parties defined in national legislation?**

Entities are considered related if an entity or an individual owns at least 25 % of the shares or voting rights of another entity. The parties are related when the same individual or entity, directly or indirectly, takes part in the management, control, or ownership of other entities.

**3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?**

The transfer pricing documentation, including a transfer pricing study, must be submitted along with the annual tax return.
Transfer pricing documentation should be submitted by all entities that had transactions with related parties during a fiscal year, irrespective of whether these transactions were domestic or cross-border.

**4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**

The documentation standard under OECD BEPS Action 13 has not been implemented in the Serbian local legislation.
A Country-by-Country Report and Master File are not mandatory in Serbia. Therefore, only a Local File should be prepared and submitted by taxpayers.

According to local regulations, the taxpayer has the option to submit a simplified transfer pricing documentation file if one of the following two conditions is fulfilled:

- A specific related party transaction is regarded as a one-off transaction and does not exceed RSD 8 million in total in a fiscal year (approx. EUR 65,500); or
- The total value of all transactions with a specific related party during a fiscal year does not exceed RSD 8 million (approx. EUR 65,500).

**5. What is the deadline for the submission of transfer pricing documentation?**

The documentation must be submitted annually within 180 days from the end of a fiscal year.

**6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)**

A 15 % corporate income tax rate applies to any price difference determined by the tax authorities. The penalty interest for late payment of understated corporate income tax is equal to the annual reference rate of the National Bank increased by 10 percentage points. Additionally, in the case of an understated taxable base and consequently understated tax liability, the taxpayer will be penalized at an amount equal to 30 % of the understated tax liability. Moreover, the taxpayer will be penalized at a minimal amount of RSD 200,000 (approx. EUR 1,640), with an additional penalty of between RSD 10,000 and RSD 100,000 (approx. EUR 80 – EUR 800) for the responsible person.

Currently, the tax authorities lack practice in transfer pricing audits. However, given the recent introduction of transfer pricing legislation in Serbia, a more aggressive approach by the tax authorities may be expected in the future.

**7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?**

There is no specific legislation regarding intra-group services. The simplified OECD BEPS approach for low value-adding services is not prescribed by the Serbian local legislation. However, the Corporate Income Tax Law recognizes the significance of the OECD transfer pricing guidelines by envisaging that the transfer pricing legislation in Serbia is to be developed further in accordance with the OECD's sources relevant to this matter.
Consequently, it can be concluded that, in the course of practical application of the general legislation framework, Serbian taxpayers may rely on the simplified OECD BEPS approach for low value-adding services.

**8. Interest expenses/financial charges: Are there any deductibility restrictions? Do "thin capitalization" rules, requalification of debt into equity, or similar rules apply?**

Thin capitalization rules provide for a debt-to-equity ratio of 4:1. Interest expenses on loans from associated companies exceeding this ratio are not deductible. For banks and financial leasing companies, the debt-to-equity ratio is 10:1.

**9. Do the tax authorities accept year-end transfer pricing adjustments?**

There is no practice available regarding year-end adjustments.

**10. Do APA opportunities exist?**

There are no APA opportunities.

**11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**

CCAs/CSAs are not regulated by specific local legislation, but should be accepted when implemented following the OECD Guidelines. There is no practice by the tax authorities available regarding practical application of CCAs/CSAs.

**12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**

A PE of a foreign entity is obliged to keep separate records regarding data on receipts, expenditure, and other relevant information for profit determination. The documentation must also include all the transactions of the PE with its foreign head office, and the arm's length principle must be proven.
Interest and other costs related to the loan received from the head office, as well as royalties paid by a PE to its head office, are not deductible.

tpa

**1. Do the OECD Transfer Pricing Guidelines apply?**

The Slovak transfer pricing rules established in the Income Tax Act generally conform to the OECD Guidelines. National legislation includes a number of sources. The most recent Guidance document was issued by the Slovak Ministry of Finance on the Contents of Transfer Pricing Documentation for fiscal year 2015 and onwards.

**2. How are related parties defined in national legislation?**

A related party is defined as a close person or a party related economically, personally, or otherwise. An "economic or personal relationship" means a party's participation in the ownership, control, or management of the other party or a mutual relationship between parties which are under the control or management of the same party or a close person, or where such a party or a close person has direct or indirect ownership.

Participation in:

a) "ownership or control" means any direct, indirect, or indirect derivative holding of more than 25 % of the registered capital or voting rights. An indirect holding is calculated by multiplying the percentages of direct holdings divided by one hundred, and by multiplying the result obtained by one hundred, and an indirect derivative holding is calculated as the total of the indirect holdings; the indirect derivative holding is only used to calculate the interest of one person in the ownership or control of another person if such person has an interest in the ownership or control of multiple persons, each of which has an interest in the ownership or control of the same other person; if the indirect derivative holding exceeds 50 %, then all parties included in the calculation thereof are regarded as economically interrelated regardless of their actual interests;
b) "management" means the relationship of the members of the statutory bodies or similar of a legal entity to that legal entity.

The term "other relationship" means a legal relationship or other similar relationship established particularly for the purposes of a tax base decrease or tax loss increase.

**3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?**

Taxpayers have to provide certain information regarding transactions with related parties in an annual tax return. According to the valid legislation in the Slovak Republic, each related party is required to prove the transfer pricing method applied in controlled transactions (commercial or financial transactions between related parties), preparing the appropriate documentation in the Slovak language. Transactions within a group of companies has to be in compliance with the arm's length principle, and this means that the prices agreed between the related parties should not differ from those which would have been agreed in comparable commercial or financial relations under comparable circumstances if the business partners were not economically, personally, or otherwise related.

Based on a separate Guidance document, the tax authority can require the taxpayer to provide further, more detailed information to prove compliance with the arm's length principle, such as detailed transfer pricing policy information and a complete economic analysis including a comparative analysis (benchmark), etc.

The transfer pricing documentation must be in the Slovak language if the taxpayer has not previously (not during the tax audit) requested permission to prepare the documentation in another language.

In justified cases, the tax administrator is entitled to call on the tax entity to submit transfer pricing documentation at any time, not just during the tax audit. The deadline for submitting the documentation is 15 days from the date of the request; otherwise there is a risk of a penalty.

**4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**

a) The filing of Country-by-Country Reports is obligatory for the ultimate parent entities of multinational groups with total consolidated group revenue of at least EUR 750 million that are Slovak tax residents. In specific cases, this obligation can apply to another member of the multinational group which is a Slovak tax resident and has been designated by the group to file the report. The Country-by-Country Report is due no later than 12 months after the last day of the reporting fiscal year of the multinational group. All other members of the multinational group that are Slovak tax residents have the obligation to notify the tax administration of the reporting entity that will file the Country-by-Country Report. This notification obligation also concerns foreign entities with a registered branch in Slovakia.

In the event of failure to file the CbC Report, a penalty of up to EUR 10,000 may be imposed by the tax authority. In the event of failure to provide details of the reporting entity, a penalty of up to EUR 3,000 may be imposed.

b) There are different types of documentation under Slovakian transfer pricing rules:

Simplified documentation: Since 2015, a taxpayer meets the criteria for the preparation of simplified transfer pricing documentation if:
- it is an individual or a micro accounting entity;
- carries out domestic controlled transactions with related parties who are taxpayers with unlimited tax liability, excluding transactions in relation to the permanent establishments of these taxpayers located abroad;
- it is a consolidating accounting entity or a consolidating accounting entity for domestic controlled transactions with other entities;
- the state, a municipality, or a higher territorial unit participates directly or indirectly in its ownership, control, or management in both companies and the companies are not consolidated for accounting purposes.

Full-scope documentation: Since 2015, a taxpayer meets the criteria for the preparation of full-scope transfer pricing documentation if it:
- reports earnings in an individual financial statement as per the IFRS;
- realizes transactions with related entities of a non-contracting country;
- has applied for an advance pricing agreement;
- has applied for an adjustment of the tax base;
- has applied deductions of tax losses of more than EUR 300,000 in a year or more than EUR 400,000 in two consecutive years, and has not claimed tax relief.

If any of the conditions for preparing simplified or full-scope transfer pricing documentation is not met, the taxpayer will meet the criteria for preparing basic transfer pricing documentation.

The transfer pricing documentation obligation (Local File) has also been extended to domestic related parties since January 1, 2015.

**5. What is the deadline for the submission of transfer pricing documentation?**

The taxpayer is obliged to provide the transfer pricing documentation within 15 days after receiving the request from the tax authority. Due to this short 15-day period, it is advisable to have the documentation prepared in advance.

**6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)**

Non-compliance with transfer pricing documentation obligations carries a penalty risk for a non-monetary obligation of up to EUR 3,000. If, in the case of a tax audit, the transfer prices are not set in compliance with the arm's length principle, the tax authority can adjust the prices used and the tax base, levy the tax, and impose penalties.

As of January 2017, stricter penalties have been applied for non-compliance with the arm's length principle. Double penalties are applied to taxpayers who decrease their tax base or increase their tax loss through transfer pricing intentionally. Instead of a penalty rate of 10 % p.a. for the tax difference, a penalty rate of 20 % p.a. will be used.

The tax authority can assess a tax difference up to 10 years after the end of the year in which the obligation to submit a tax return arose, i.e. transfer pricing can be the subject of a tax audit for 11 years.

The likelihood that during the corporate income tax audit the taxpayer's related party transactions will be inspected is medium. The risk that the taxpayer's methodology applied in the company's transfer pricing system will be challenged by the tax authorities is medium (3). Intra-group services come under the scrutiny of the Slovak tax authorities. Moreover, a tendency toward more detailed and more frequent examinations is observed.

**7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?**

The intra-group services must be at arm's length, but no specific legislation exists in Slovakia. As the Slovak transfer pricing rules conform to the OECD Guidelines, the simplified OECD BEPS approach for low value-adding services is applicable.

**8. Interest expenses/financial charges: Are there any deductibility restrictions? Do "thin capitalization" rules, requalification of debt into equity, or similar rules apply?**

The interest must be agreed at arm's length. There are specific regulations regarding the determination of interest. In practice, the NBS (National Bank of the Slovak Republic) publishes an overview of the average interest rates, which may be used to estimate interest rates that would have been agreed between independent parties.

Thin capitalization rules were introduced from January 2015. Since

January 2015, the deduction limit for interest charged on loans received from related parties has been a maximum of 25 % of the amount calculated as net profit before taxes, plus depreciation, plus interest expenditures.

Thin capitalization rules do not apply to banks, insurance companies, and leasing companies.

**9. Do the tax authorities accept year-end transfer pricing adjustments?**

Yes, year-end adjustments are allowed.

**10. Do APA opportunities exist?**

Yes, APAs are possible. It should be noted that only the transfer pricing method and means of transfer price determination can be approved through an APA, not the whole benchmark – independent comparables and interquartile range.

Approval of the means of transfer price determination includes:
- a profit level indicator assessment
- a benchmark sources suitability assessment
- the sequence of steps and choice of comparability criteria
- the process of evaluating the sample of comparable companies.

APAs can be issued by the tax authority for no more than five tax periods. In 2017, the filing fee for unilateral APAs is EUR 10,000, and for bilateral and multilateral APAs EUR 30,000.

**11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**

Yes, these are specified in the Income Tax Act. A related party can deduct CCA expenses under the following conditions:

- If services relate to the scope of the business of the related party
- The related party would request these services from an independent person if the services were not provided by the related party
- The price of the services is at arm's length
- The services are properly documented (the total amount of costs, allocation of these expenses among the beneficiaries of the services).

The transfer pricing documentation identifies the participants of the CCA/CSA, describes the CCA/CSA (scope, character, contractual conditions, and benefits for the recipient), and provides the allocation key.

**12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**

The attribution of profit to a PE is in line with the OECD Report on the Attribution of Profits to PEs, and local documentation is mandatory.

The special provisions are stated in the Income Tax Act. The taxable base of a PE cannot be lower and the tax loss of a PE cannot be higher than that which an independent party would achieve in the same or a similar activity.

Income subject to taxation includes any income generated by a PE. Tax expenses may be considered expenses incurred by the founder of the PE for the purposes of that PE, including management and general administration expenses, irrespective of the place in which they were incurred if the founder of the PE:
- submits evidence of the aggregate amount of such expenses for its enterprise as a whole,
- justifies the method used in order to allocate these expenses among individual parts of the enterprise of the taxpayer, and
- proves the flow of the products/services to the PE.

tpa

**1. Do the OECD Transfer Pricing Guidelines apply?**

Slovenia follows the OECD Guidelines even though no direct reference exists.
There are specific rules on transfer prices, which describe methods for arm's length price determination, the hierarchy among the methods, and comparability analyses. A Transfer Pricing Examination Manual also exists.

**2. How are related parties defined in national legislation?**

Related parties are defined in the Corporate Income Tax Act. Entities are considered to be related parties when the taxpayer directly or indirectly holds at least 25 % of the shares in, control over and/or voting rights of the foreign person, or control over this person is based on a contract.

**3. Disclosure requirements: Are there annual disclosure requirements for related party transactions? Is a transfer pricing study required?**

The corporate income tax return has to be submitted with an attachment relating to transactions with related parties on an annual basis.

A transfer pricing study is also required and must be submitted upon the tax authorities' request. The study must be prepared within 3 months after the end of the tax year.

Penalties range from EUR 800 to EUR 10,000 for sole trader companies and from EUR 400 to EUR 4,000 for a responsible person. Penalties range from EUR 1,200 to EUR 15,000 for a micro or small company and from EUR 600 to EUR 4,000 for a responsible person.

For medium and large companies penalties range from EUR 3,200 to EUR 30,000, and for the responsible person from EUR 800 to EUR 4,000.

**4. Has the documentation standard under OECD BEPS Action 13 been implemented – a) Country-by-Country Reporting, b) Master File and Local File? Are there specific local regulations or thresholds?**

Yes.

a) Country-by-Country Reporting was implemented in Slovenia in October 2016. The report is mandatory if the ultimate parent entity in Slovenia reports consolidated revenue of at least EUR 750 million. Fiscal year 2016 is the first year for which the report must be filled in and submitted by no later than the end of 2017.

b) Master File and Local File contents are specifically defined and should include:

- Master File: description of the taxpayer, the organizational structure, the type of participation interests, the system of transfer pricing, information about operations and business strategies, market competitiveness, and general economic and other factors. One Master File can be provided for an entire group.
- Country-specific documentation: data about transactions between associated entities, data referring to the benchmarking analysis (characteristics of assets, services, functional analysis, terms of contracts, economic and other factors influencing transactions, business strategies, and other important influences), and information regarding the method selected to determine arm's length prices.

**5. What is the deadline for the submission of transfer pricing documentation?**

Transfer pricing documentation has to be prepared on a current basis and at the latest when the tax return is filed. Transfer pricing documentation must be submitted within 30–90 days upon the tax authorities' request during the tax audit.

**6. Liability: What penalties are associated with transfer pricing adjustments? What is the tax audit climate like for TP on a scale from 1 to 5? (1 – low-key, 5 – aggressive)**

If the taxpayer fails to provide proper transfer pricing documentation, additional income assessed by the tax authority during a tax audit will be subject to the standard tax rate (19 %).

Tax authorities can also apply penalties if the tax base is understated. For sole trader companies the penalties amount to not more than EUR 85,000.

For other companies the penalty should not exceed EUR 115,000 for micro and small companies and EUR 180,000 for medium and large companies.

Currently, the tax audit climate may be assessed at 3 – 4.

**7. Intra-group services: Are there any specific transfer pricing rules? Is the simplified OECD BEPS approach for low value-adding services applicable?**

There are specific rules regarding intra-group services which incorporate a specific benefit test. There is no reference to the OECD BEPS approach regarding low value-adding services.

**8. Interest expenses/financial charges: Are there any deductibility restrictions? Do "thin capitalization" rules, requalification of debt into equity, or similar rules apply?**

Interest charged on loans granted by a shareholder/partner who directly or indirectly owns at least 25% of the shares, capital or voting rights of a taxpayer will not be regarded as deductible expenses if the loans exceed four times the amount of the shareholder's/partner's holding in the taxpayer's equity capital. This rule also applies to loans received from third parties (including banks) if the loans are guaranteed by the shareholder/partner.

The following debt-to-equity ratio is applicable:
- 8:1 D/E ratio for years 2005, 2006, 2007
- 6:1 D/E ratio for years 2008, 2009, 2010
- 5:1 D/E ratio for year 2011
- 4:1 D/E ratio for subsequent years, starting from 2012.

Hidden profit distribution is also defined in the Corporate Income Tax Act. In general, any assurances/guarantees made by the payer to the shareholder that would not be made to the shareholder in an arm's length situation are regarded as a hidden profit distribution.

**9. Do the tax authorities accept year-end transfer pricing adjustments? Is the simplified OECD BEPS approach for low value-adding services applicable?**

Yes, year-end adjustments are allowed in a corporate income tax return or in financial statements (credit note, debit note).

**10. Do APA opportunities exist?**

Yes, since August 1, 2014 there has been a legal base for APAs in Slovenia. A new provision in the Financial Administration Act (Article 11) enables the tax authorities to approve the transfer pricing method. Since January 1, 2017 there have been new provisions with details for concluding APAs in the Tax Procedure Act and in the regulations of this Act. The financial administration already operates some procedures for concluding APAs with taxpayers.

**11. Do the tax authorities accept Cost Contribution Arrangements (CCAs)/Cost Sharing Agreements (CSAs)?**

Yes, all types of CCAs are accepted as long as they are in line with the definition of CCAs provided in the Slovenian Rules on transfer prices and the OECD Guidelines. CCAs concluded without economic substance are not recognized for tax purposes since the general substance-over-form approach is applied.

**12. Permanent establishments: Are there any specifics regarding profit allocation? Is local documentation for profit allocation mandatory?**

A general opinion concerning the taxation of a PE has been published by local tax authorities. This opinion also contains transfer pricing rules in respect of PEs. Generally, the profit of a PE will be determined by mutatis mutandis application of the OECD Guidelines relating to the OECD Report on the Attribution of Profits to Permanent Establishments.

The profit allocated to the permanent establishment must be the profit that the PE would be expected to generate if it were an independent company performing the same/similar actions/transactions.

Expenses incurred by the PE for the purpose of generating income (management and general administrative expenses) may be attributed to the PE, as may active and passive income generated inside or outside Slovenia.

The transfer pricing documentation required from related parties (Master File, country-specific documentation) is also required for a permanent establishment.

The foreign enterprise must prepare, audit, and disclose accounting documents relating to the business unit/permanent establishment.

## Notes

## Notes

tpa

## Since we are already here, let us help you find a way out of the maze of your local tax system.

Available for:
Albania, Austria, Bulgaria, Croatia,
Czech Republic, Hungary, Poland,
Romania, Serbia, Slovakia and Slovenia.

Order and profit from our free brochures at:
**service@tpa-group.com**
or on our website **www.tpa-group.com**

Albania | Austria | Bulgaria | Croatia | Czech Republic
Hungary | Poland | Romania | Serbia | Slovakia | Slovenia

**Imprint**
This brochure, with its updated compilation of the basic transfer pricing rules as of September 2017 in eleven Central and Eastern Europe countries, is intended to provide a 360° view on local transfer pricing rules and serve as an orientation for your transfer pricing analysis. Without liability. The information given here is greatly simplified and is no substitute for professional advice. Responsible for the content: TPA Steuerberatung GmbH, Praterstraße 62-64, 1020 Vienna, FN 200423s HG Wien.
Editor: Iris Burgstaller, Veronika Seitweger, Klaus Bauer-Mitterlehner.
Design, cover artwork: TPA, www.tpa-group.at, www.tpa-group.com

greenprint*
carbon neutral printed

**Transfer Pricing Group Desk CEE/SEE**
Iris Burgstaller
Tel: +43 1 588 35-306
E-Mail: iris.burgstaller@tpa-group.com

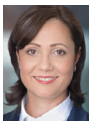
**Albania, Bulgaria Croatia, Serbia**
Thomas Haneder
Tel: +43 1 588 35 246
E-Mail: thomas.haneder@tpa-group.com

**Hungary**
József Szemerédi
Tel: +36 1 345 45-00
E-Mail: jozsef.szemeredi@tpa-group.hu

**Albania**
Ilir Binaj
Tel: +355 4 22 34 568
E-Mail: i.binaj@tpa-group.al

**Poland**
Damian Kubiś
Tel: +48 61 63 00 500
E-Mail: damian.kubis@tpa-group.pl

**Bulgaria**
Georgio Kandilarov
Tel: +359 2 981 66-45/46/47
E-Mail: georgio.kandilarov@tpa-group.bg

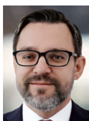


**Romania**
Claudia Stanciu-Stănciulescu
Tel: +40 21 310 06 69
E-Mail: claudia.stanciu@tpa-group.ro

**Croatia**
Bojan Huzanić
Tel: +385 1 6461 783
E-Mail: bojan.huzanic@tpa-group.hr

**Serbia**
Bojan Žepinić
Tel: +381 11 65 58 800
E-Mail: bojan.zepinic@tpa-group.rs

**Czech Republic**
Jan Soška
Tel: +420 222 826 311
E-Mail: jan.soska@tpa-group.cz



**Slovakia**
Peter Ďanovský
Tel: +421 257 351 124
E-Mail: peter.danovsky@tpa-group.sk

**Slovenia**
Michael Knaus
Tel: +386 152 086 60
E-Mail: michael.knaus@tpa-group.si

An independent member of the Baker Tilly Europe Alliance