Transfer Pricing Questionnaire

To assist in identifying higher risk transactions

# Transfer Pricing Questionnaire

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**About the author**This questionnaire was prepared by Baker Tilly Staples Rodway on behalf of CPA Australia.

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### Transfer Pricing Questionnaire to assist in identifying Higher Risk transactions

Prima facie, cross-border transactions between associated parties should be conducted on an arm’s length basis.

The following questions help identify higher risk transactions where additional analysis will likely be required (the ticking of “Yes” establishing a higher risk transaction). Where a higher risk transaction has been identified, obtaining specialist transfer pricing assistance should be considered.

| Advances | Yes | No |
| --- | --- | --- |
| Do advances exist where the total amount loaned (in aggregate) exceeds $NZ 10 million? |  |  |
| If advances are under $NZ 10 million, are they at a rate different to the safe harbour rate prescribed by Inland Revenue? |  |  |

|  |  |  |
| --- | --- | --- |
| Import Distributors | Yes | No |
| In the case of a NZ located import distributor, with annual turnover of under $NZ 30 million, is the earnings before interest tax and exceptional items (EBITE) / net sales ratio under 3%? |  |  |

|  |  |  |
| --- | --- | --- |
| Management Fee | Yes | No |
| Are cross border services between associated parties in excess of $NZ 1 million? |  |  |
| Is the margin charged by the overseas associated person more than five percent (where a cost plus ratio is identified)? |  |  |
| Is the New Zealand entity consistently making tax losses? |  |  |
| Are there material associated party transactions with entities established in no and/or low tax jurisdictions? |  |  |
| Are there material payments being made to an associated offshore party for intellectual property? (NRWT should be considered)? |  |  |