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SEPTEMBER 2017

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TRANSFER PRICING ALERT

ASIA PACIFIC REGIONAL ROUND-UP:
COUNTRY-BY-COUNTRY REPORTING REQUIREMENTS

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ASIA PACIFIC REGIONAL ROUND-UP: COUNTRY-BY-COUNTRY REPORTING REQUIREMENTS



ZARA RITCHIE
Global Lead, Transfer Pricing

Businesses are regarding the compliance environment as a prism through which they view demands for greater transparency, that sees increasing numbers of countries implementing new Country by Country Reporting documentation requirements and the need to examine the regime in a different light. The final guidance from the Organisation for Economic Co-operation and Development (OECD) on TP documentation and Country-by-Country (CbC) Reporting represents a significant development for today's multinational enterprises (MNEs). CbC Reporting will require MNEs to provide information on their global allocation of profit, taxes paid, and certain indicators of economic activity among the countries in which they operate.

To summarise, large MNEs will be required to prepare and, in some cases, file the following documents:

1. A CbC report that will provide a range of quantitative information annually and for each tax jurisdiction in which the MNE does business, including the amount of revenue, profit before income tax, income tax paid, number of employees, stated capital, retained earnings and tangible assets in each tax jurisdiction

2. A Master File that provides high-level information regarding the MNE's global business operations and TP policies, and
3. A Local File that provides detailed transactional TP documentation specific to each country.

The underlying intention in requiring the above three documents to be prepared/filed is that they will require MNEs to articulate consistent TP positions, and to provide tax administrations with useful information to perform TP risk assessments.

One of the underlying design features of CbC Reporting is that the CbC report, once filed with the tax administration of the country in which the ultimate parent/reporting entity is located, will be automatically exchanged with tax administrations in other countries in which the MNE operates through mechanisms such as the exchange of information articles in double tax agreements and specifically designed agreements such as the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (CbC MCAA).

Noting the significance of the CbC Reporting era, we surveyed the following eight countries within the

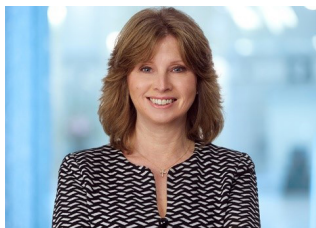
Asia Pacific region to provide a high-level summary of CbC Reporting requirements in their respective country:

- ▶ Australia
- ▶ China
- ▶ India
- ▶ Indonesia
- ▶ Japan
- ▶ South Korea
- ▶ Malaysia
- ▶ Singapore.

The common theme that emerged from the survey results was the strict imposition of penalties for non-compliance with CbCR reporting requirements, highlighting that despite the fact that historically only few Asia Pacific countries have been members of the OECD, they continue to adopt an increasingly active role with respect to how the taxable profits of MNEs should be determined and countering multinational tax avoidance.



AUSTRALIA
CbC REPORTING REQUIREMENTS

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QUERY	REQUIREMENT
First year CbC Reporting is implemented	Financial years beginning on or after 1 January 2016.
Local turnover threshold	N/A.
Consolidated revenue threshold	Global consolidated turnover over A\$1 billion (approximately USD 762 million*).
Due date for filing of CbC Reporting	Within 12 months of end of first relevant financial year, for example, for years ended 31 December 2016, the filing deadline will be 31 December 2017.
Master file format – does your country's local requirement differ from OECD?	Based on the requirements set out in Annex I of the OECD guidance on Action 13. ATO has introduced a combined form for the lodgement of the files.
Local file format – are there specific requirements adopted by your country (that is different from OECD)?	Yes – The Australian Local File format is different to OECD format. The Australian Local File is not the same as TP documentation. It needs to be submitted electronically using the ATO's XML Schema format.
CbC Report format – are there specific requirements adopted by your country (that are different from the OECD)?	No - the format is consistent with the OECD format including XML Schema.
Language requirement	English.
Currency requirement	AUD.
Filing format – e.g. electronic format, printed copy or both?	Electronically via XML Schema.
Does your country require a more in-depth analysis for transactions that are categorised as 'special transactions' e.g. financing, royalty, service, business restructuring?	Yes – Part A (full form Local File) and Appendix C.
For countries that adopt CbC Reporting after 1 January 2016, are there specific treatments for a 'gap-year'?	The ATO may allow a one-year transitional exemption only in cases where the parent jurisdiction has announced, but not implemented, CbC Reporting and this can be for up to three years. Applications must be made for this exemption to be granted.
Does your country have an Automatic Exchange of Information (AEOI) provision? If so, please also provide the implementation period.	Yes – 1 July 2017.

QUERY	REQUIREMENT
How does your country plan to integrate CbC Reporting with Automatic Exchange of Information?	Via the standardised XML Schema
Does your country have provision to maintain supporting data/documents that are used to prepare CbC Reporting? If so, please provide the length of period and add a remark if the data/document must be maintained locally.	There is no special record retention rule for CbC records. The standard record keeping period applies – generally five years after the records were prepared or obtained, or the completion of the transactions or acts to which those records relate, whichever is the later.
Penalties for non-compliance	Penalties range from a minimum of A\$105,000 (approximately USD 80,000*) for lodgement up to 28 days late, to a maximum of A\$525,000 (approximately USD 400,000*) for lodgement more than 112 days late. Administrative penalties for TP adjustments will also be doubled (the maximum penalty will be up to 150% of the relevant tax shortfall).
Any special CbC Reporting provision for taxpayers who are in the process of applying an Advance Pricing Agreement (APA) or planning to apply an APA?	Having an APA or ACA in place will not, of itself, be grounds for an entity to be granted an exemption from providing a statement or statements in the approved form. However, the ATO will consider ways to ensure that, as far as possible, there is no unnecessary duplication in the reporting requirements.
Any special CbC Reporting provision for taxpayers who are in the process of applying a Mutual Agreement Procedure (MAP) or planning to apply MAP?	None, other than a view to minimise duplication.
Other points of interest to note	The subsidiary should, if their reporting periods are not aligned with that of their parent company, apply for a 'replacement reporting period'.
Practical issues or concerns for MNEs	The ATO has also advised that where a taxpayer voluntarily lodges Part A of their Local File at the same time as lodging their tax return, they are exempt from completing questions 2 to 17 in the International Dealings Schedule. Part B of the Local File must still be lodged within 12 months after the end of the income year.
Is the Master File and/or Local File required to be lodged? If so, by when?	Yes, the Master File and Australian prescribed Local File must be lodged at the same time as the CbC report, i.e. within 12 months of the end of the financial period OR Part A of the local file can be lodged with the local tax return. Ability for Australian subsidiaries to easily obtain a copy of the Master File from the Group in time to lodge locally with their Local File.
Practical issues or concerns for MNEs	MNEs will need to assess how they respond to mandatory reporting including assessing the most efficient method to gather required data from different sources and what technology is best suited to them in order to allow them to generate the required reports.
Do MNEs need to notify the Tax Authority about the name of the parent or surrogate entity responsible for lodging the CbC Reporting and, if so, when and in what format	Yes. The Australian taxpayer needs to provide the name of their parent or surrogate entity responsible for lodging the CbCR as well as the location in which they will be lodging it. This information will need to be provided as part of the Australian local file (when it is lodged with the ATO).



CHINA
CBC REPORTING REQUIREMENTS

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QUERY	REQUIREMENT
First year CbC Reporting is implemented	Financial years beginning on or after 1 January 2016.
Local turnover threshold	N/A.
Consolidated revenue threshold	The resident enterprise is the ultimate holding company of a multinational group, and its aggregated revenue of all types shown on the annual consolidated financial statement for the last fiscal year must not exceed RMB 5.5 billion (approximately USD 809 million*).
Due date for filing of CbC Reporting	By 31 May of the following year, e.g. for years ended 31 December 2016, filing deadline will be 31 May 2017.
Master file format – does your country's local requirement differ from OECD?	The Master File mainly includes group information, such as group shareholding structure, group business description, group intangible assets arrangement, group financing arrangement, and group financial and tax position.
Local file format – are there specific requirements adopted by your country (that is different from OECD)?	A value chain analysis is required to disclose the group's allocation principles and results, and China specific factors such as location savings and market premium should be considered.
CbC Report format – are there specific requirements adopted by your country (that are different from the OECD)?	In addition to the OECD format, China's CbC report requires taxpayers to disclose basic information of overseas related parties and group consolidated segmented financials.
Language requirement	Chinese and English.
Currency requirement	Chinese yuan, unless indicated otherwise.
Filing format – e.g. electronic format, printed copy or both?	Online filing in electronic format. There is an online software platform where taxpayers can fill in the figures and upload returns directly.
Does your country require a more in-depth analysis for transactions that are categorised as 'special transactions' e.g. financing, royalty, service, business restructuring?	No.
For countries that adopt CbC Reporting after 1 January 2016, are there specific treatments for a 'gap-year'?	N/A.

QUERY	REQUIREMENT
Does your country have an Automatic Exchange of Information (AEOI) provision? If so, please also provide the implementation period.	Yes - China has signed CbC MCAA and will exchange CbC report with foreign countries in 2018 for CbC report submitted for FY2016.
How does your country plan to integrate CbC Reporting with Automatic Exchange of Information?	China has designed and tested CTS, a system that enables the exchange of tax information safely among global tax jurisdictions.
Does your country have provision to maintain supporting data/documents that are used to prepare CbC Reporting? If so, please provide the length of period and add a remark if the data/document must be maintained locally.	There are no requirements regarding the length of period for maintaining the CbC report locally.
Penalties for non-compliance	Failure to submit the CbC report may lead to a fine from RMB 2,000 (approximately USD 294*) to RMB 10,000 (approximately USD 1,471*) and a potential tax audit.
Any special CbC Reporting provision for taxpayers who are in the process of applying an Advance Pricing Agreement (APA) or planning to apply an APA?	No.
Any special CbC Reporting provision for taxpayers who are in the process of applying a Mutual Agreement Procedure (MAP) or planning to apply MAP?	No.
Other points of interest to note	N/A.
Practical issues or concerns for MNEs	31 May 2017 is the deadline for the first submission of the CbC report in China for FY 2016. Some MNEs are still not aware of such requirements. Therefore, it is suggested that MNEs consult BDO to confirm their specific requirements. It is also suggested that clients consult local tax authorities or professional tax firms for any inquires as well.
Is the Master File and/or Local File required to be lodged? If so, by when?	The Master File should be completed within 12 months of the fiscal year end of the group's ultimate holding company. Local File and special issue file should be completed by 30 June of the following year.
Do MNEs need to notify the Tax Authority about the name of the parent or surrogate entity responsible for lodging the CbC Reporting and, if so, when and in what format	MNEs do not need to note if Chinese subsidiaries are not assigned by their parent company to submit a CbC Report to the Chinese tax authorities.



INDIA
CBC REPORTING REQUIREMENTS

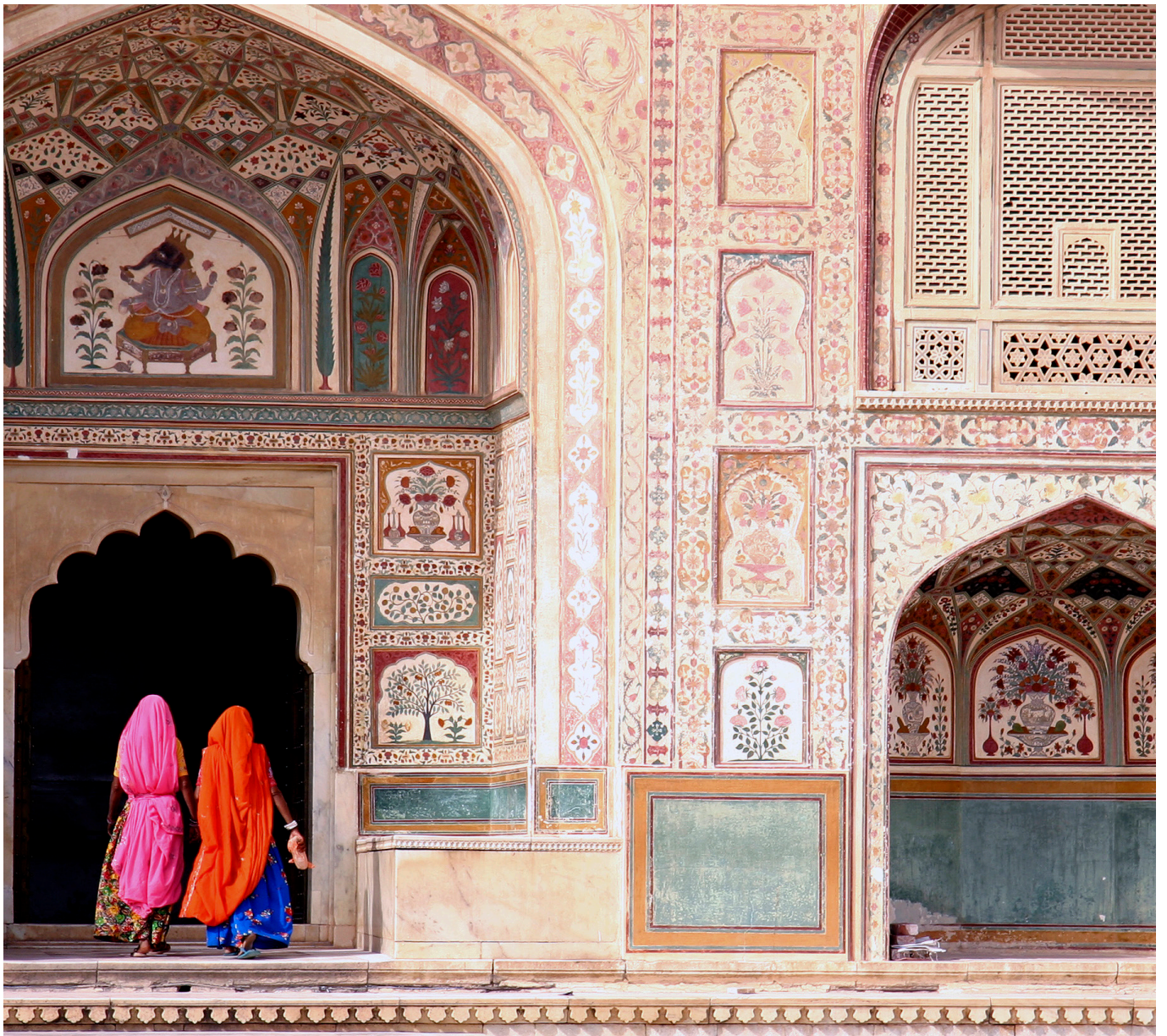


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QUERY	REQUIREMENT
First year CbC Reporting is implemented	31 March 2017.
Local turnover threshold	N/A.
Consolidated revenue threshold	Euro 750 million equivalent to USD 815 million as on 31 March 2016.
Due date for filing of CbC Reporting	On or before 30 November from the closure of relevant financial year i.e. eight months after year-end.
Master file format – does your country's local requirement differ from OECD?	Generally in line with the OECD.
Local file format – are there specific requirements adopted by your country (that is different from OECD)?	No separate guidelines provided for Local File. The format is prescribed in local law and consistent with OECD guidelines.
CbC Report format – are there specific requirements adopted by your country (that are different from the OECD)?	No - consistent with CbC Reporting template.
Language requirement	English.
Currency requirement	Local currency.
Filing format – e.g. electronic format, printed copy or both?	Normally the TP and other tax returns are filed electronically via XML.
Does your country require a more in-depth analysis for transactions that are categorised as 'special transactions' e.g. financing, royalty, service, business restructuring?	Yes - recently reporting points were also added in Accountant's Report (Form 3CEB) for business restructuring
For countries that adopt CbC Reporting after 1 January 2016, are there specific treatments for a 'gap-year'?	Yes – If the parent company or alternate reporting entity is a resident in India, then the date of commencement for accounting purposes will be the Indian accounting period which is 1 April to 31 March. If the parent company or alternate reporting entity is a resident outside India, then date of commencement for accounting purposes will be the respective country accounting period as per that country's applicable laws for the time being in force.

QUERY	REQUIREMENT
Does your country have an Automatic Exchange of Information (AEOI) provision? If so, please also provide the implementation period.	There are no guidelines prescribed for CbC Reporting purposes, however, the treaty provisions in the Indian Income Tax Act provide for such kind of exchange of information with other treaty countries.
How does your country plan to integrate CbC Reporting with Automatic Exchange of Information?	India is a signatory to the CbC MCAA on the exchange CbC Reporting among 57 countries. Accordingly, as per the local requirement the head quartered company has to file the details.
Does your country have provision to maintain supporting data/documents that are used to prepare CbC Reporting? If so, please provide the length of period and add a remark if the data/document must be maintained locally.	Income-tax Act, 1961 (the charging Statute of Income Tax in India), requires data/documentation to be retained for six assessment years from the end of the relevant assessment year.
Penalties for non-compliance	<p>Failure to furnish CbC Reporting document or further information requested in respect of CbC Reporting will result in a penalty of INR 5,000 – 50,000 (approximately USD 74 - 740*) depending on the period of delay.</p> <p>Providing inaccurate particulars in CbC Reporting results in a penalty of INR 500,000 (approximately USD 7,400*).</p> <p>Failure to furnish Master File results in a penalty of INR 500,000 (approximately USD 7,400*).</p> <p>Failure to furnish Local File or furnishing inaccurate particulars does not result in a specific penalty, however, since the Local File requirement is significantly similar to TP documentation, a penalty equivalent to 2% of the value of the international transaction may also be imposed where the Local File is not furnished or maintained by the taxpayers.</p>
Any special CbC Reporting provision for taxpayers who are in the process of applying an Advance Pricing Agreement (APA) or planning to apply an APA?	Not yet prescribed.
Any special CbC Reporting provision for taxpayers who are in the process of applying a Mutual Agreement Procedure (MAP) or planning to apply MAP?	Not yet prescribed.
Other points of interest to note	N/A.

QUERY	REQUIREMENT
Practical issues or concerns for MNEs	This being the first year, MNE are gearing up for their global documentation and TP policies.
Is the Master File and/or Local File required to be lodged? If so, by when?	Currently as the law stands companies have to maintain their Master File / Local File before filing of CbC Reporting.
Do MNEs need to notify the Tax Authority about the name of the parent or surrogate entity responsible for lodging the CbC Reporting and, if so, when and in what format	Yes.





INDONESIA
CBC REPORTING REQUIREMENTS



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QUERY	REQUIREMENT
First year CbC Reporting is implemented	From 31 December 2016 and onwards.
Local turnover threshold	<p>Preparation of Master File and Local File is mandatory for taxpayers who in the previous year have:</p> <ul style="list-style-type: none"> ▶ Annual gross operating revenue that exceeds IDR 50 billion (approximately USD 3.7 million*), before discounts, rebates and other deductions, or ▶ A related party transaction with a value that: <ul style="list-style-type: none"> - Exceeds IDR 20 billion (approximately USD 1.5 million*) for transactions involving transfer of tangible goods, or - Exceeds IDR 5 billion (approximately USD 373,000*) for services transaction, interest payments, transactions involving intangibles or others defined as 'high risk', or ▶ Transactions with a related party that is domiciled in a country or jurisdiction with a corporate income tax rate that is less than the prevailing Indonesian corporate income tax rate (of 25%).
Consolidated revenue threshold	<p>Preparation of Master File, Local File and CbC Reporting is mandatory for taxpayers:</p> <ul style="list-style-type: none"> ▶ Who in previous year have consolidated annual gross revenue exceeding IDR 11 trillion (approximately USD 770 million*) ▶ Where is the ultimate Indonesian parent company (of a group)
Due date for filing of CbC Reporting	31 December. CbC Reporting must be available within 12 months since the closing of book year. For example, if a company adopts Japanese book year (ending on 31 March 2017), then the CbC Reporting must be available by 31 March 2018, and filed to the Indonesian tax office by 31 July 2018. The deadline to file Annual Corporate Income Tax Return is four months since the closing of the book year.
Master file format – does your country's local requirement differ from OECD?	No – generally the same.
Local file format – are there specific requirements adopted by your country (that is different from OECD)?	Yes – more detailed information is required for transactions involving commodities, e.g. coal, crude palm oil etc.
CbC Report format – are there specific requirements adopted by your country (that are different from the OECD)?	No – generally the same.

QUERY	REQUIREMENT
Language requirement	TP documentation must now be prepared in Bahasa Indonesia (local language). If a taxpayer has obtained approval to maintain bookkeeping in English, the documentation can be prepared in English but must still be supplemented with its Bahasa Indonesia translation.
Currency requirement	USD currency – for taxpayers who have approval to maintain bookkeeping in USD for tax purposes or IDR (local) currency for others.
Filing format – e.g. electronic format, printed copy or both?	Both printed copy and electronic format.
Does your country require a more in-depth analysis for transactions that are categorised as 'special transactions' e.g. financing, royalty, service, business restructuring?	<p>Yes. For intra-group services and royalty payments, documents must include analysis on necessity of services and economic benefits received by the paying entity.</p> <p>For related party loan and guarantee fee, documents must include necessity analysis, economic benefits, and test the fairness of debt-to-equity ratio (DER). The thin capitalisation rule for Indonesia is 4:1, with exceptions for certain industry (e.g. banking, mining, infrastructure, etc).</p>
For countries that adopt CbC Reporting after 1 January 2016, are there specific treatments for a 'gap-year'?	No.
Does your country have an Automatic Exchange of Information (AEOI) provision? If so, please also provide the implementation period.	Yes - starting September 2018.
How does your country plan to integrate CbC Reporting with Automatic Exchange of Information?	It is anticipated that the Indonesian Government will release its guidelines during 2017.
Does your country have provision to maintain supporting data/documents that are used to prepare CbC Reporting? If so, please provide the length of period and add a remark if the data/document must be maintained locally.	Supporting documents/data must be kept in Indonesia for ten years.
Penalties for non-compliance	<p>There are no specific penalties for non-compliance. Penalties will be imposed if an assessment is issued. If CbC Reporting is not filed with CITR, then the CITR will be considered as 'incomplete'. The ITO can then:</p> <ol style="list-style-type: none"> Issue an administrative sanction of IDR 1 million (approximately USD 75) Issue a warning letter (If the warning letter is ignored) conduct and audit potentially resulting in a 50% penalty being applied in addition to the tax underpayment amount.

QUERY	REQUIREMENT
Any special CbC Reporting provision for taxpayers who are in the process of applying an Advance Pricing Agreement (APA) or planning to apply an APA?	No.
Any special CbC Reporting provision for taxpayers who are in the process of applying a Mutual Agreement Procedure (MAP) or planning to apply MAP?	No.
Other points of interest to note	None.
Practical issues or concerns for MNEs	<p>If a taxpayer exceeds any of the local thresholds, then the company must prepare both Master File and Local File. This poses some complications for subsidiaries which may not have access to data/information that belongs to the parent company, resulting in timing issues and exposure to penalties e.g. in Malaysia the Master File requirement is applicable for 1 January 2017 and onwards, resulting in an Indonesian subsidiary of a Malaysian parent company not having the Master File available within four months since closing of book year or by 30 April 2017 for the book year ending on 31 December 2016.</p> <p>Where a parent entity does not involve the local entity in the preparation of the Local File i.e. where a method is selected but cannot be supported by the Indonesian subsidiary's accounting system, e.g. the use of TNMM based on segmented profit and loss, issues can arise and manual segmentation is often challenging in Indonesia because of subjectivity involved in allocating indirect costs.</p> <p>If the book year of the parent company and the subsidiary is different this can impact fulfilment of the requirement to file the consolidated financial statements of the ultimate parent company.</p>
Is the Master File and/or Local File required to be lodged? If so, by when?	Taxpayers are not required to file Master File and Local File, but both documents must be available within four months since the closing of book year. Taxpayers must be able to provide the documents when requested.
Do MNEs need to notify the Tax Authority about the name of the parent or surrogate entity responsible for lodging the CbC Reporting and, if so, when and in what format	



JAPAN
CBC REPORTING REQUIREMENTS



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QUERY	REQUIREMENT
First year CbC Reporting is implemented	The ultimate parent entity's fiscal year begins on 1 April 2016 or thereafter, therefore, generally the first year is for 31 March 2017 financial year end.
Local turnover threshold	N/A.
Consolidated revenue threshold	JPY 100 billion (approximately USD 883 million*) or more.
Due date for filing of CbC Reporting	Within 12 months from the end of the ultimate parent entity's fiscal year, e.g. for the year ending 31 December 2017, the filing deadline will be 31 December 2018.
Master file format – does your country's local requirement differ from OECD?	No – generally the same.
Local file format – are there specific requirements adopted by your country (that is different from OECD)?	Yes. Documents requires segmented profits/losses statements for corporations and foreign-related parties regarding their related transactions. The process of preparing above segmented P&Ls should be described.
CbC Report format – are there specific requirements adopted by your country (that are different from the OECD)?	No. The format is consistent with the OECD format – including XML Schema.
Language requirement	CbC Reporting: English. Master file: Japanese or English. Local file: Not designated (if the local file is prepared in a non-Japanese language, the tax authorities may request corporations to submit its Japanese translation).
Currency requirement	The taxpayer can decide on the currency used.
Filing format – e.g. electronic format, printed copy or both?	CbC Reporting and Master file: electronic format. Local File: Printed copy.
Does your country require a more in-depth analysis for transactions that are categorised as 'special transactions' e.g. financing, royalty, service, business restructuring?	No.

QUERY	REQUIREMENT
For countries that adopt CbC Reporting after 1 January 2016, are there specific treatments for a 'gap-year'?	Japan had accommodated voluntary filing of CbC Reporting by ultimate parent entities for periods commencing from 1 January to 31 March, 2016, however, this treatment was expired.
Does your country have an Automatic Exchange of Information (AEOI) provision? If so, please also provide the implementation period.	Yes. On 31 March 2015 Japan issued legislation and regulations related to the OECD's Automatic Exchange of Information (AEOI) and first exchanges will be undertaken by 2018.
How does your country plan to integrate CbC Reporting with Automatic Exchange of Information?	Via the standardised XML Schema.
Does your country have provision to maintain supporting data/documents that are used to prepare CbC Reporting? If so, please provide the length of period and add a remark if the data/document must be maintained locally.	No, however, Japan has provision to maintain supporting documents considered as necessary/important to calculate arm's length prices (Local File/equivalent to Local File) for the financial year that starts on and after 1 April 2017.
Penalties for non-compliance	CbC Reporting: Fine of up to JPY300,000 (approximately USD2,650*). Master File: Fine of up to JPY300,000 (approximately USD2,650*). Local File: A penalty may be imposed when a taxpayer fails to submit the Local file. 'Presumptive Taxation' can be imposed which allows tax authority to correct income based on their investigation.
Any special CbC Reporting provision for taxpayers who are in the process of applying an Advance Pricing Agreement (APA) or planning to apply an APA?	No.
Any special CbC Reporting provision for taxpayers who are in the process of applying a Mutual Agreement Procedure (MAP) or planning to apply MAP?	No.
Other points of interest to note	No..
Practical issues or concerns for MNEs	No.

QUERY

Is the Master File and/or Local File required to be lodged? If so, by when?

REQUIREMENT

The Master File should be submitted to the tax authority within 12 months from the end of the ultimate parent entity's fiscal year (i.e. the same as for CbC Reporting).

The Local File should be prepared and be kept by the taxpayer (there is no lodging requirement) and submitted to the tax authority upon request. Changes in 2016 with effect from the fiscal year beginning on 1 April 2017 or thereafter now require taxpayers to prepare the Local File by the corporate tax return filing (contemporaneous documentation) deadline of 45 days unless:

1. The amount of transactions (total of receipts and payments) with the foreign-related party during the previous business year (the current business year if there was not the previous one) was less than 5 billion yen (approximately USD 44.16 million*), and
2. The amount of transactions of intangibles (total of receipts and payments) with the foreign-related party during the previous business year (the current business year if there was not the previous one) was less than 300 million yen (approximately USD 2.65 million*).

For other companies, the deadline set may be up to 60 days.

Do MNEs need to notify the Tax Authority about the name of the parent or surrogate entity responsible for lodging the CbC Reporting and, if so, when and in what format

Japanese corporations (including foreign company's Japanese subsidiaries or foreign corporations with a PE that is a constituent entity of a Specified MNE Group ([JPY 100 billion or approximately USD 883.30 million* or more]) must submit a 'Notification for Ultimate Parent Entity', which includes information on the Ultimate Parent Entity and Surrogate Parent Entity to the competent District Director via e-Tax by the day when the fiscal year covered by the Notification ends. If the ultimate parent entity's FY ends 31 December 2017, the deadline is the same day.





SOUTH KOREA

CBC REPORTING REQUIREMENTS



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QUERY	REQUIREMENT
First year CbC Reporting is implemented	Fiscal year starting 1 January 2016.
Local turnover threshold	No.
Consolidated revenue threshold	The consolidated group's revenue for the preceding year exceeds KRW 1 trillion (approximately USD 869 million*).
Due date for filing of CbC Reporting	The CbC reports should be filed by 12 months after the relevant fiscal year-end (e.g. the CbC reporting filing due date for the calendar year 2016 is by the end of 2017).
Master file format – does your country's local requirement differ from OECD?	No.
Local file format – are there specific requirements adopted by your country (that is different from OECD)?	No.
CbC Report format – are there specific requirements adopted by your country (that are different from the OECD)?	No.
Language requirement	Korean and English.
Currency requirement	CbC Reporting: the same currency used in financial statements of ultimate parent entity should be used. Master File and Local File: Not yet prescribed. The unit of currency will be announced in the final guidelines.
Filing format – e.g. electronic format, printed copy or both?	Printed or in electronic format.
Does your country require a more in-depth analysis for transactions that are categorised as 'special transactions' e.g. financing, royalty, service, business restructuring?	No.

QUERY	REQUIREMENT
For countries that adopt CbC Reporting after 1 January 2016, are there specific treatments for a 'gap-year'?	No.
Does your country have an Automatic Exchange of Information (AEOI) provision? If so, please also provide the implementation period.	From 2018, the Korean tax authority will exchange CbC Reporting.
How does your country plan to integrate CbC Reporting with Automatic Exchange of Information?	South Korea signed the CbC MCAA in 2016.
Does your country have provision to maintain supporting data/documents that are used to prepare CbC Reporting? If so, please provide the length of period and add a remark if the data/document must be maintained locally.	All tax data or documents must be kept for five years after they are produced in Korea.
Penalties for non-compliance	KRW 10 million per report (or approximately USD 687*).
Any special CbC Reporting provision for taxpayers who are in the process of applying an Advance Pricing Agreement (APA) or planning to apply an APA?	N/A.
Any special CbC Reporting provision for taxpayers who are in the process of applying a Mutual Agreement Procedure (MAP) or planning to apply MAP?	N/A.
Any special CbC Reporting provision for taxpayers who are in the process of applying a Mutual Agreement Procedure (MAP) or planning to apply MAP?	Not prescribed.
Other points of interest to note	At this point, significant intangible assets are issues or concerns for MNEs. However, the Korean Tax Authority is observing disclosures in relation to intangibles and developing their views in relation to what, if any, action is required.
Is the Master File and/or Local File required to be lodged? If so, by when?	Taxpayers are required to submit the following files - Local File and Master File: Domestic corporation and domestic place of business of foreign corporation that fall under both of the following conditions: <ul style="list-style-type: none"> ▶ Annual sales exceed KRW 100 billion (approximately USD 87 million*) ▶ Annual transactions with foreign special related parties exceed KRW 50 billion (approximately USD 43 million*) ▶ Shall be submitted within 12 months of the last day of the relevant business year.

QUERY	REQUIREMENT
Practical issues or concerns for MNEs	None.
Do MNEs need to notify the Tax Authority about the name of the parent or surrogate entity responsible for lodging the CbC Reporting and, if so, when and in what format	<p>Yes, if MNEs are either:</p> <ul style="list-style-type: none"> ▶ Domestic companies (ultimate parent company) whose consolidated sales in the previous year exceed KRW 1 trillion, or ▶ Taxpayers having foreign controlling shareholder prescribed by Ordinance of the Ministry of Strategy and Finance, who fall under one of the following conditions: <ul style="list-style-type: none"> - No CbC Reporting submission obligation in the country/jurisdiction where the foreign controlling shareholders are located - Automatic international exchange of CbC Reporting between tax authorities cannot be made as the country/jurisdiction, where the foreign controlling shareholders are located, is not signatory to CbC MCAA, or does not have tax treaty. <p>MNEs shall submit 'a form containing information of taxpayer obliged to submit a CbC Reporting (Form 8-4)' to the head of the tax office having jurisdiction over the place of tax payment within six months from the last day of the month in which each business year ends falls.</p> <p>The form is to be completed with information such as entity name, country name, location, level and consolidated sales of the previous year of a taxpayer obliged to submit a CbC Reporting.</p>



A scenic view of a tropical coastline. The foreground shows the bow of a boat with red, white, and blue stripes. The water is a vibrant turquoise color, transitioning to a sandy beach at the bottom. In the background, there are lush green hills and a large rock formation. The sky is blue with scattered white clouds. Two red vertical bars are positioned on the left side of the image, one at the top and one at the bottom.

MALAYSIA

CBC REPORTING REQUIREMENTS



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QUERY	REQUIREMENT
First year CbC Reporting is implemented	Fiscal year starting 1 January 2017.
Local turnover threshold	None.
Consolidated revenue threshold	RM 3 billion (approximately USD 698 million*) in the financial year preceding the reporting financial year.
Due date for filing of CbC Reporting	No later than 12 months after the last day of the reporting financial year.
Master file format – does your country's local requirement differ from OECD?	Guidelines will be issued during 2017 but these are generally expected to conform to the OECD requirements.
Local file format – are there specific requirements adopted by your country (that is different from OECD)?	Guidelines will be issued during 2017 but these are generally expected to conform to the OECD requirements.
CbC Report format – are there specific requirements adopted by your country (that are different from the OECD)?	No.
Language requirement	English.
Currency requirement	Ringgit Malaysia (RM).
Filing format – e.g. electronic format, printed copy or both?	Electronic medium or through an electronic transmission, in extensible mark-up language format.
Does your country require a more in-depth analysis for transactions that are categorised as 'special transactions' e.g. financing, royalty, service, business restructuring?	No.
For countries that adopt CbC Reporting after 1 January 2016, are there specific treatments for a 'gap-year'?	No.

QUERY	REQUIREMENT
Does your country have an Automatic Exchange of Information (AEOI) provision? If so, please also provide the implementation period.	Yes - Malaysia has signed the Convention on Mutual Administrative Assistance in Tax Matters and the CbC MCAA as well as legislating the Income Tax (CbC MCAA) Order, which collectively allow the automatic exchange of CbC Reporting annually. The first CbC Reporting is to be exchanged no later than 18 months after the last day of the fiscal year (of the MNE Group) and subsequent CbC Reporting is to be exchanged no later than 15 months after the last day of the fiscal year.
How does your country plan to integrate CbC Reporting with Automatic Exchange of Information?	See above.
Does your country have provision to maintain supporting data/documents that are used to prepare CbC Reporting? If so, please provide the length of period and add a remark if the data/document must be maintained locally.	No.
Penalties for non-compliance	A fine of not less than RM20,000 (approximately USD 4,650*) and not more than RM100,000 (approximately USD 23,250*) or imprisonment of up to six months or to both.
Any special CbC Reporting provision for taxpayers who are in the process of applying an Advance Pricing Agreement (APA) or planning to apply an APA?	No.
Any special CbC Reporting provision for taxpayers who are in the process of applying a Mutual Agreement Procedure (MAP) or planning to apply MAP?	No.
Any special CbC Reporting provision for taxpayers who are in the process of applying a Mutual Agreement Procedure (MAP) or planning to apply MAP?	N/A.
Other points of interest to note	At this point, significant intangible assets are issues or concerns for MNEs. However, the Korean Tax Authority is observing disclosures in relation to intangibles and developing their views in relation to what, if any, action is required.
Practical issues or concerns for MNEs	No.
Is the Master File and/or Local File required to be lodged? If so, by when?	The Master File and/or Local File does not need to be lodged. Such documents should be kept by the taxpayer and submitted to the Malaysian tax authority upon request

QUERY

REQUIREMENT

Do MNEs need to notify the Tax Authority about the name of the parent or surrogate entity responsible for lodging the CbC Reporting and, if so, when and in what format

Any constituent entity (Note 1) of the MNE Group resident in Malaysia shall notify the Director General in writing where:

- a) It is ultimate holding company or the surrogate holding company of the MNE Group, or
- b) The identity and tax residence of the entity is responsible for preparing the CbC Reporting if it is a Malaysian based subsidiary of a foreign MNE Group.

Notification must be made on or before the last day of the reporting financial year i.e. a Malaysian constituent entity with financial year ending 31 December 2017 must notify the Tax Authority by 31 December 2017

Note 1 - Constituent entity means:

- ▶ Any separate business unit of an MNE Group that is included in the consolidated financial statements of the MNE Group or would be so included if equity interests in such business unit were traded on a public securities exchange
- ▶ Any separate business unit that is excluded solely on grounds of size or materiality from the MNE Group's consolidated financial statements.

Any permanent establishment (PE) of any separate business unit of the MNE Group as in a) or b) above, provided that the business unit prepares a separate financial statement for such PE for financial reporting, regulatory, tax or internal management control purposes.



A low-angle photograph of a Singapore street scene. The sky is a vibrant blue with wispy white clouds. In the foreground, several red paper lanterns are strung across the frame. To the right, a portion of a yellow building with blue shutters and ornate architectural details is visible. Two vertical red bars are positioned on the left side of the image, one near the top and one near the bottom.

SINGAPORE

CBC REPORTING REQUIREMENTS



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QUERY	REQUIREMENT
First year CbC Reporting is implemented	Singapore has implemented CbC Reporting for financial years beginning on or after 1 January 2017.
Local turnover threshold	N/A.
Consolidated revenue threshold	SGD 1.125 million (approximately USD 814 million*).
Due date for filing of CbC Reporting	Within 12 months from the end of the financial year. The earliest CbC Report would be due to Inland Revenue Authority of Singapore (IRAS) by 31 December 2018 for a financial year ending on 31 December 2017.
Master file format – does your country's local requirement differ from OECD?	No, generally in line with OECD.
Local file format – are there specific requirements adopted by your country (that is different from OECD)?	No, generally in line with OECD.
CbC Report format – are there specific requirements adopted by your country (that are different from the OECD)?	No, generally in line with OECD.
Language requirement	English.
Currency requirement	The CbC Reporting template is to be populated in the functional currency of the reporting MNE. If statutory financial statements of the constituent entities are used as the basis for reporting, all amounts should be translated to the stated functional currency of the reporting MNE at the average exchange rate for the reporting year.
Filing format – e.g. electronic format, printed copy or both?	The Singapore Tax Authority (IRAS) is currently developing e-services for receiving and sending CbC Reports with sufficient level of encryption. As the first CbC Reporting will be due by 31 December 2018, IRAS will release further guidance in the coming months.
Does your country require a more in-depth analysis for transactions that are categorised as 'special transactions' e.g. financing, royalty, service, business restructuring?	No.

QUERY	REQUIREMENT
For countries that adopt CbC Reporting after 1 January 2016, are there specific treatments for a 'gap-year'?	Yes - Singapore-headquartered MNEs may file CbC Reporting to IRAS on voluntary basis for financial year beginning on or after 1 January 2016. The FY 2016 CbC Report must be submitted in accordance with the prevailing CbC Reporting XML Schema.
Does your country have an Automatic Exchange of Information (AEOI) provision? If so, please also provide the implementation period.	<p>Yes – Singapore has signed the CbC MCAA in accordance with Article 6 of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters ('the Convention') which provides for the Automatic Exchange of Information ('AEOI') between parties to the Convention, where two parties subsequently agree to do so.</p> <p>The exchange of first CbC report will be no later than 18 months after the last day of the fiscal year of the MNE Group and subsequent CbC reports are to be exchanged no later than 15 months after the last day of the fiscal year.</p>
How does your country plan to integrate CbC Reporting with Automatic Exchange of Information?	<p>The automatic exchange of CbC reports will take place under a CbC MCAA between the Singapore Government and the government of the other country, or the government of two or more countries.</p> <p>IRAS will provide the CbC reports to the tax authorities of those jurisdictions if there is a CbC report exchange agreement with the relevant tax authority.</p>
Does your country have provision to maintain supporting data/documents that are used to prepare CbC Reporting? If so, please provide the length of period and add a remark if the data/document must be maintained locally.	No specific provisions are prescribed, however the general provisions relating to retention of TP documentation should apply which is five years from the relevant year of assessment.
Penalties for non-compliance	<p>The maximum penalty for providing false or misleading CbC information is SGD 10,000 (approximately USD 7,234*) or imprisonment not exceeding two years or both.</p> <p>For late filing or failure to file a CbC Report:</p> <ul style="list-style-type: none"> ▶ A fine up to SGD 1,000 (approximately USD 723*) may be imposed with failure to pay the fine resulting in imprisonment for up to six months, and ▶ A further fine of up to SGD 50 (approximately USD 36*) for every day during which offence continues
Any special CbC Reporting provision for taxpayers who are in the process of applying an Advance Pricing Agreement (APA) or planning to apply an APA?	N/A.
Any special CbC Reporting provision for taxpayers who are in the process of applying a Mutual Agreement Procedure (MAP) or planning to apply MAP?	N/A.

QUERY	REQUIREMENT
Other points of interest to note	The IRAS has recently clarified that Singapore-headquartered MNEs may file a CbC Report for FY 2016 to IRAS on a voluntary basis. However, the FY 2016 CbC Report must be submitted in accordance with the prevailing CbC Reporting XML Schema and data submitted to IRAS in any other format will not be accepted. Details of the mode of submission of the FY 2016 CbC Report will be released by the end of September 2017.
Practical issues or concerns for MNEs	Data confidentiality is a concern if a Singapore-headquartered MNE is required to file CbC Reporting locally in foreign jurisdictions. Singapore intends to follow the OECD guidelines and provide for a 'secondary mechanism' on Singapore subsidiaries of foreign MNEs with new legislation. As jurisdictions are in the early stages of implementing CbC Reporting, IRAS will monitor developments and assess if there is a need to trigger secondary mechanism.
Is the Master File and/or Local File required to be lodged? If so, by when?	IRAS does not require taxpayers to submit the TP documentation when they file their tax returns. Taxpayers are required to keep their TP documentation and submit it to IRAS within 30 days upon request. In the event taxpayers are unable to provide the TP documentation upon request by IRAS, they may be penalised for not complying with the record keeping requirements.
Do MNEs need to notify the Tax Authority about the name of the parent or surrogate entity responsible for lodging the CbC Reporting and, if so, when and in what format	Yes, however the details have not yet been released.



*Average conversion rate used.

FOR MORE INFORMATION:



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