

## Liberia

### Summary of CbC Reporting and Transfer Pricing Documentation Rules

#### Country-by-Country Report

There are no OECD CbC reporting requirements in Liberia.

- Exchange of Information:
  - MCAA CbC: signed (June 1, 2022).

#### Master File

- Effective Date: Tax years beginning on or after January 1, 2017.
- Filing Threshold: Taxpayers with related party transactions who are eligible to file an income tax return.
- Small taxpayers (i.e., persons with turnover less than LRD 3 million per year) are instead required to submit a transfer pricing documentation packet for Small Taxpayers as a safe harbor from the documentation requirements *[see discussion of Documentation Package for Small Taxpayers below]*.
- Information Reported: Consistent with OECD guidance *[according to the TP Practice Note, the list of required documents provided in the TP Regulations is non-exhaustive, as the appropriate level of documentation depends on the specific facts and circumstances of each case]*.
- Language: English.
- Deadline for Preparation: Must be contemporaneous (i.e., prepared by the time the income tax return is filed).
- Deadline for Submission: Must be submitted to the tax authorities upon request.
- Retention: 7 years after the end of the tax period to which it relates.
- Penalties: General tax penalties for late filing or failure to file or for inadequate recordkeeping may apply.

#### Local File

- Effective Date: Tax years beginning on or after January 1, 2017.
- Filing Threshold: Taxpayers with related party transactions who are eligible to file an income tax return.
- Small taxpayers (i.e., persons with turnover less than LRD 3 million per year) are instead required to submit a transfer pricing documentation packet for Small Taxpayers as a safe harbor from the documentation requirements *[see discussion of Documentation Package for Small Taxpayers below]*.
- Information Reported: Consistent with OECD guidance *[according to the TP Practice Note, the list of required documents provided in the TP Regulations is non-exhaustive, as the appropriate level of documentation depends on the specific facts and circumstances of each case]*.
- Language: English.
- Deadline for Preparation: Must be contemporaneous (i.e., prepared by the time the income tax return is filed).

# Bloomberg Tax

- *Deadline for Submission*: Must be submitted to the tax authorities upon request.
- *Retention*: 7 years after the end of the tax period to which it relates.
- *Penalties*: General tax penalties for late filing or failure to file or for inadequate recordkeeping may apply.

## **Transfer Pricing Return**

For fiscal years beginning on or after January 1, 2017, taxpayers with related party transactions who are eligible to file an income tax return are required to submit a [Transfer Pricing Return Schedule](#) with the annual income tax return, which is due by the last day of the third month following the end of the fiscal year in which the transactions take place. Small taxpayers (i.e., persons with turnover less than LRD 3 million per year) are instead required to submit a transfer pricing documentation packet for Small Taxpayers as a safe harbor from the documentation requirements *[see discussion of Documentation Package for Small Taxpayers below]*.

The transfer pricing return schedule includes information regarding all related party transactions (domestic and cross-border); the group structure and ownership (including information on related entities, directors and shareholders, and any business restructurings within the last five years); the methods used in determining the transfer price and documentation; and basic financial information for the reporting entity and the consolidated group. Penalties for late filing or failure to file may apply.

## **Documentation Package for Small Taxpayers**

Small taxpayers (i.e., persons with turnover less than LRD 3 million per year) are required to submit a prescribed transfer pricing documentation packet for Small Taxpayers as a safe harbor from the transfer pricing documentation requirements.

The transfer pricing documentation package for small taxpayers includes (i) a description of the nature of each category of controlled transactions; (ii) the amount of payments and receipts for each category of controlled transactions; (iii) a description of the reasons for concluding that the relevant transactions were priced on an arm's length basis based on the application of the selected transfer pricing method, (iv) relevant financial accounts, and (v) copies of all agreements concluded by the enterprise that affect the conditions of the controlled transactions.