

Philippines

Summary of CbC Reporting and Transfer Pricing Documentation Rules

Country-by-Country Report

There are no OECD CbC reporting requirements in the Philippines.

Master File

There are no OECD Master File requirements in the Philippines.

Local File

There are no OECD Local File requirements in the Philippines.

Transfer Pricing Documentation [[Revenue Regulation No. 34-2020](#) and [Revenue Regulation No. 2-2013](#) and [Bureau of Revenue – Transfer Pricing webpage](#)]

- *Effective Date:* General transfer pricing documentation rules effective since 2013.
- *Scope:* Taxpayers required to file BIR Form No. 1709 (see discussion below) and that meet one of the following materiality thresholds: (i) annual gross sales/revenue for the taxable year exceeding PHP 150 million and total amount of related party transactions (foreign and domestic) exceeding PHP 90 million¹ or (ii) sale of tangible goods involving the same related party exceeding PHP 60 million or service transactions/payment of interest/use of intangibles or other related party transactions involving the same related party exceeding PHP 15 million during the taxable year or (iii) transfer pricing documentation was required to be prepared in the preceding taxable year as a result of exceeding either (i) or (ii).
- *Information Reported:* Includes, but is not limited to, the following: organizational structure; nature of business/industry and market conditions; controlled transactions; assumptions, strategies, and policies; cost contribution arrangements; comparability, functional and risk analysis; selection of the transfer pricing method; application of transfer pricing method; background documents; and index to documents.
- *Deadline for Submission:* Contemporaneous transfer pricing documentation (and other supporting documents) must be submitted within 30 days of a request by the tax authority (may be extended in certain circumstances).
- *Penalties:* Penalties for non-compliance may apply.

¹ The following amounts are included in the threshold calculation: amounts received and/or receivable from related parties or paid and/or payable to related parties during the taxable year (excluding compensation paid to key management personnel, dividends, and branch profit remittances) and outstanding balances of loans and non-trade amounts due from/to all related parties. Related party transactions covered by an APA are not required to be disclosed in Form No. 1709 but should be included in the computation of the amount of related party transactions.

Transfer Pricing Information Return – BIR Form No. 1709 (RPT Form)

[[Revenue Regulation No. 34-2020](#) and [Revenue Regulation No. 19-2020](#) and [Bureau of Revenue – Transfer Pricing webpage](#)]

- **Effective Date:** Fiscal years ending on or after March 31, 2020.
- **Scope:** Taxpayers required to file an annual income tax return (AITR) and that have transactions with domestic or foreign related parties during the covered year and that are either (i) a large taxpayer; (ii) a taxpayer benefitting from tax incentives, benefitting from an income tax holiday or subject to a preferential income tax rate; (iii) a taxpayer reporting net operating losses for the current taxable year and the preceding two taxable years; or (iv) a related party that has transactions with a taxpayer described in (i), (ii) or (iii).
- **Form:** [BIR Form No. 1709](#) – Information Return on Transactions with Related Party (Foreign and/or Domestic).
- **Financial Statement Disclosure:** Taxpayers not required to file Form No. 1709 should disclose in the Notes to the Financial Statements that they are not covered by this requirement.
- **Deadline for Submission:** Form No. 1709 is filed as an attachment to the annual income tax return (AITR), either at the Regional District Office (RDO) where the taxpayer is registered or electronically through the eAFS System.
- **Penalties:** Penalties for non-compliance may apply.