Ireland

WTS Global Country TP Guide

Last Update: December 2017

1. Legal Basis	
Is there a legal requirement to prepare TP documentation?	Yes
Since when does a TP documentation requirement exist in your country?	2011
Are TP policies of multinational enterprises in principle accepted by the tax authorities, if they are in line with the OECD TP Guidelines?	Yes
Which TP methods may be applied?	Comparable Uncontrolled Price, Cost plus, resale price method, transactional net margin method and profit split.
Are any TP methods preferred over others?	Comparable Uncontrolled Price.
Have the documentation requirements of OECD BEPS Action 13 already been implemented (i.e. the LF, MF and CbCR concepts)?	CbCR implemented; No MF/LF.
Reference to documentation and statements of local-government or tax authorities regarding OECD BEPS implementation status	Part 35A of Tax Consolidation Act 1997 Sections 835A-835H.
Reference to relevant articles of law, legislative regulation or applicable administrative guidance that are in place for TP documentation in general:	No specific legislation/regulations exist other that those listed above - all TP matters dealt with under general TP legislation which impacts on transactions between "connected persons". No significant bulk of case law is available given the TP legislation is a very recent enactment in Ireland (2010/2011).

2. Master File (MF)	Not implemented
What is the (consolidated revenue) threshold requirement for the obligation to prepare a MF?	Notwithstanding that the preparation of a master file is not yet mandatory under domestic legislation, it is considered best practice to prepare a master file. That being the case, TP legislation applies to only to large companies with more than 250 employees and either turnover exceeding EUR 50 million or balance sheet net value in excess of EUR 43 million (both tests on a group basis).
As from which year does this obligation exist?	Transfer pricing rules apply to accounting periods commencing on or after 1st January 2011. Master file preparation not yet mandatory.
When does the Master File need to be available?	Documentation should be available by the due date for filing the tax return but it is considered best practice to prepare documentation as transactions occur.
When does it need to be submitted?	21 days upon request (not necessary to submit unless requested) Approximately 9 months after year end. In practice, the Irish Revenue will seek documentation under the Transfer Pricing Compliance Review program. Under this program, a period of three months is granted to taxpayers to self-review their transfer pricing and report back to the Irish Revenue with findings and relevant supporting documentation.
Does the MF have to be prepared in the relevant local language ?	Yes. Ideally in the local language but if not, a certified translated copy would have to be provided in the event of an audit.
Is documentation in English permissible?	Yes
What are the (possible) consequences of not having the required MF available?	None at this stage as preparation of a master file is not yet mandatory.

What are the possible consequences of not having the MF available?	
Penalties?	No
Imprisonment?	No
Shifting of the burden of proof?	Yes
Other?	No
To which extent do the local rules differ from the OECD standard regarding the OECD content requirements for the MF as shown in the BEPS implementation overview chart?	Consistent with OECD requirements.

3. Local File (LF)	Not implemented
What is the threshold requirement for the obligation to prepare a LF?	Notwithstanding that preparation of a local file is not yet mandatory under domestic legislation, it is considered best practice to prepare a local file. That being the case, TP legislation applies to only to large companies with more than 250 employees and either turnover exceeding EUR 50 million or balance sheet net value in excess of EUR 43 million (both tests on a group basis).
As from which year does this obligation exist?	Transfer pricing rules apply to accounting periods commencing on or after 1st January 2011. Local file preparation not yet mandatory.
When does the LF need to be available?	Documentation should be available by the due date for filing the tax return but it is considered best practice to prepare documentation as transactions occur.
When does the LF need to be submitted?	21 days upon request (not necessary to submit unless requested) Approximately 9 months after year end. In practice, the Irish Revenue will seek documentation under the Transfer Pricing Compliance Review program. Under this program, a period of three months is granted to taxpayers to self-review their transfer pricing and report back to the Irish Revenue with findings and relevant supporting documentation.
Does the LF have to be prepared in the relevant local language?	Yes Ideally in the local language but if not, a certified translated copy would have to be provided in the event of an audit.
Or is documentation in English permissible?	Yes, but a certified translated copy would have to be provided in the event of an audit.
What are the possible consequences of not having the LF available?	
Imprisonment?	No
Shifting of the burden of proof?	Yes
Other?	No
To which extent do local rules differ from the OECD standard regarding the OECD content requirements for the LF as shown in the 2017 OECD TP Guidelines?	Consistent with OECD requirements.

4. Country-by-Country Reporting	Yes
What is the threshold requirement for the obligation to prepare Country-by-Country Reporting?	EUR 750 million (group turnover).
As from which year does this CbCR obligation exist?	CbCR is required to be prepared for accounting periods starting on/after 1 January 2016

When and how do the tax authorities need to be notified who the reporting entity is?	For Irish headquartered groups and non-Irish headquartered groups that have elected to treat an Irish subsidiary, investment fund or SPV as the 'surrogate parent', before the end of the financial year. For Irish subsidiaries of non-Irish headquartered groups and Irish investment funds or SPV's that are members of larger investor groups, before the end of the financial year. In both cases, the filing must be made electronically via ROS (Revenue's Online Service).
If the reporting entity (ultimate parent or surrogate parent) is in your country, what is the CbCR submission deadline?	CbCR is due within 12 months of the companies accounting year end.
Are there any deviating submission deadlines for the secondary mechanism?	No
Does your country have a requirement that the financial figures of the group need to be aligned with?	No. No information.
Does your country have a requirement that the financial years of the group need to be aligned with?	No
Where is the CbCR to be submitted ?	CbCR is to be submitted electronically to the Revenue Commissioners via the "ROS" (Revenue Online Service). Registration for ROS is required where the entity is not already registered for ROS.
How is the CbCR to be submitted, specifically, is there any prescribed standard?	CbCR is to be submitted electronically to the Revenue Commissioners via the "ROS" (Revenue Online Service).
What are the possible consequences of not having the CbCR available?	
Penalties?	Yes
Imprisonment?	No
Shifting of the burden of proof?	Yes
Other?	No
To which extent do your local rules differ from the OECD standard regarding the content requirements for the CbCR as shown in the 2017 OECD TP Guidelines?	Consistent with OECD requirements.
Did your country sign the Multilateral Competent Authority Agreement on the Exchange of CbC Reports ("CbC MCAA")?	Yes
Did your country enter into other information exchange agreements, such as on a bilateral basis?	Yes
Please specify the country involved and date the agreement came into force.	Ireland implemented the European Union Automatic Information Exchange Directive (EU Directive 2016/881/EU) with effect from the 1 April 2016. This was with effect from the 1st April 2016.
Can a taxpayer in your country fulfil his CbCR requirement by referring to the reporting entity in the same or another country?	Yes

5. TP disclosure in tax return or transfer pricing specific returns

Does a taxpayer need to disclose information regarding TP documentation in his tax return?	No. There may be a requirement however, to file a CbCR return as outlined above
When a taxpayer files a tax return for which he understands or should understand that the result reported in that tax return is too low due to incorrect transfer pricing, what could be the legal consequences?	Financial penalties may apply for careless / deliberate submission of tax returns. Depending on the gravity of the errors and whether or not the taxpayer was aware that the return prepared was incorrect, criminal proceedings may follow.
What could be the consequences for the tax advisor/accountant/administrator drafting and filing the tax return of a client where that advisor/accountant/administrator understands or should understand that the result reported is too low due to incorrect TP?	In general, the taxpayer is responsible for the tax returns filed. However, if it can be proven that the agent was complicit in knowingly filing incorrect returns, financial penalties / criminal proceedings may follow.
Does a taxpayer need to file TP-specific returns?	No

6. Benchmarking

Is there any local guidance or requirement with regard to the preparation of a benchmark study?	No
Are there any materiality thresholds that apply for the requirement to have a benchmark study available?	No

7. Year-end adjustments

Are year-end adjustments permissible?	Yes
Does the taxpayer have to comply with any specific features or guidance?	No. Nothing specific; normal TP rules outlined above apply to post year-end adjustments.

8. Transfer Pricing Audit and Dispute Resolution Mechanisms

What are currently the main TP areas of scrutiny by the tax authorities in your country?	No information publicly available to assist in answering this question. However, we believe inter-company sales and profit shifting to Ireland to avail of the low corporate tax rates would be routinely inspected by Revenue.
Does the taxpayer have the option to apply for bilateral or multilateral APAs?	Yes
Are there any restrictions?	The Irish Revenue will facilitate bilateral APAs by virtue of the network of double taxation agreements in place. As of 1 July 2016, Revenue entered into a formal bilateral APA program.

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