

Expert advice

Due care procedures for indirect transactions with tax havens



DUE CARE PROCEDURE

Taxpayers who transact with business partners must prepare a Local File if:

- the transaction value exceeds 500 thousand zloty in a single tax year;
- the beneficial owner has a domicile, registered office or management board in a country applying harmful tax competition.

The TP documentation is required not only in respect of transactions with associated enterprises but also with independent entities.

The taxpayer must exercise due care when establishing these circumstances.

How can we help?

We will develop a model due care procedure for you.

DUE CARE PROCEDURE

How to check your business partners to confirm or rule out the obligation to prepare the Local File?

OBJECTIVE OF THE PROCEDURE

- sufficiently diligent examination of the transactions
- list of transactions to be documented

DUE CARE PROCEDURE

What's in it for you

a ready-to-use procedure for in-house use and to be shown to tax authorities in case of an inspection

better compliance with statutory obligations

greatly reduced risk of failure to exercise due care and fulfil documentation obligations

you can choose between two service packages: standard option covering the procedure alone or premium option including the procedure and our support in conducting it in your company

This proposal does not include an update of the procedure. The procedure may need to be updated as a result of changes in legislation, explanatory notes or if tax authorities adopt a diverging line of rulings.



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