COMPILATION OF QUESTIONS AND ANSWERS
TRANSFER PRICING & TAX CORPORATE GOVERNANCE SEMINAR 2026
22 JULY 2026

TOPIC 1: DEMYSTIFYING THE ARM'S LENGTH PRINCIPLE (ALP) REQUIREMENTS

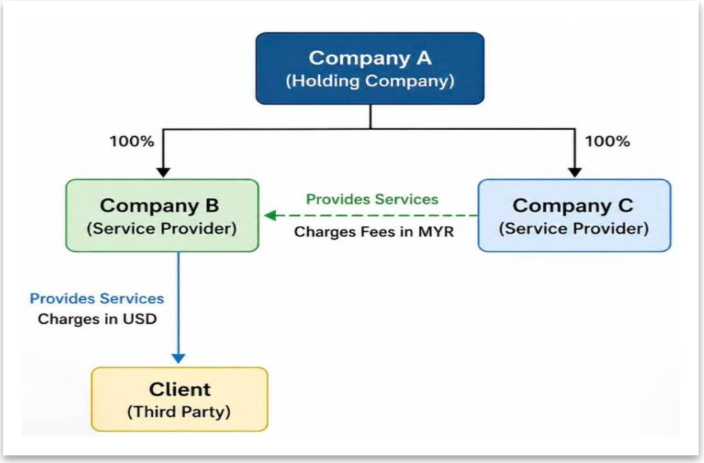
NO.	QUESTION	ANSWER
1.	Are all transfer pricing (TP) transactions require contracts/agreements to support? Or issuance of Quotation and PO without contracts under normal business operations is acceptable as long as we justify pricing in Transfer Pricing Documentation (TPD)?	Written agreements serve as the foundation for accurately delineating transactions between related parties by setting out the responsibilities, risks, and anticipated outcomes of the arrangement. Acknowledging the burden on taxpayers to stamp all the contracts/agreements, the Malaysian Goverment is currently reviewing this matter. Any update on this matter will be made available on the official website.
2.	Puan, what is the minimum selected comparable companies acceptable by Inland Revenue Board of Malaysia (IRBM) for computing ALR? TQ	There is no legal requirement prescribing a minimum number of selected comparables. The acceptability of the arm's length range depends on the reliability and degree of comparability of the selected companies rather than the number of comparables. However, subrule 13(5) of the Income Tax (Transfer Pricing) Rules 2023 (TP Rules 2023) indicates that "arm's length range" means a range of figures or a single figure falling between the value of 37.5 percentile to 62.5 percentile of the data set. Therefore, there should more than one comparable company.
3.	Business usually transact with related party due to they want lower price, but if TP wants it to be the same as market price so what is the relevance of getting related parties transaction (RPT) then. Might as well we buy from 3rd party if price is the same. Margin we created with RPT can be considered as business strategies, also right?	Related party transactions may be carried out for various business reasons, such as improving operational efficiency, achieving cost savings, or implementing business strategies. The group may maximise their tax benefits using this business reason and may engage into profit shifting. Therefore, the arm's length principle is aim to curb profit shifting which may distort the revenue of a country. The arm's length principle ensures that the pricing and allocation of profits between related parties are consistent with what independent parties would have agreed under similar circumstances. Therefore, any profit margin or benefit arising from related party transactions may be recognised as part of a legitimate business strategy, provided that it is supported by the functions performed, assets used, and risks assumed by each party.

NO.	QUESTION	ANSWER
4.	Are payments made on behalf of subsidiary companies which are on reimbursement basis, be considered as controlled transactions? Do we need to prepare TP documentation for the subsidiaries if the total transactions are below RM1mil for the whole year? How if the total transactions are above RM1mil?	Yes, payments made on behalf of a related party constitute part of a controlled transaction. Where the reimbursement remains unpaid beyond normal commercial terms, the arrangement is considered as financial assistance provided by one related party to another. In such circumstances, the transaction needs to be disclosed as part of the controlled transactions and must be conducted in accordance with the arm's length principle. Please refer to Chapter 1 of the MTPG 2024 and the FAQ available on the HASiL Portal for matters relating to the requirement to prepare Transfer Pricing Documentation (TPD).
5.	Hi Pn Suhani, based on the control diagram u presented, can I confirm the 50% shareholding under S139 include direct & indirect, while 20% shareholding under S140A(5A) refers to only direct shareholding? Does it mean indirect shareholding <50% will not have control & therefore not a related party & not fall under TP?	Yes. In determining the control under section 139, direct and indirect shareholding should be encountered. Under subsection 140A(5A), the word "owns" means only direct shareholding should be taken into account when calculating the 20% or more shareholding. In cases where the shareholdings (direct or indirectly) are less than 50% and do not meet subsection 140A(5A), the control may be existing if the person is the largest shareholder in the company. This has been decided by the court of appeal in the following cases: a) Ketua Pengarah Hasil Dalam Negeri vs Ensco Gerudi (M) Sdn. Bhd.; dan b) Lam Kam Wing vs Ketua Pengarah Hasil Dalam Negeri. This matter will be discussed with our legal department and changes may be made to the diagram in the MTPG 2024 if necessary.
6.	In determining the ALR, Taxpayer margin refers to which Margin?	In determining the arm's length range (ALR), the taxpayer's margin refers to the relevant profit level indicator (PLI) applied in the benchmarking analysis. The type of margin depends on the transfer pricing method selected and the nature of the controlled transaction. Please refer to Chapter 2 and 3 of the MTPG 2024 on the HASiL Portal for the details on this matter.

NO.	QUESTION	ANSWER
7.	Hi Puan, in practical, it is difficult for tax payer to obtain certain information for characteristics of comparable analysis purposes, for example the comparable target customer, main product etc other than info available in the website and audited reports. How can we address this issue when performing FAR analysis?	Taxpayers should perform the FAR analysis based on their own business and group information. This is due to the fact that the FAR analysis is used to determine the entity characteristisation and the correct TP methodology. In selecting good and reliable comparables, the economically relevant characteristics (ERC) should be applied. While, detailed information may not always be publicly accessible, taxpayers may rely on available sources such as company websites, annual reports, audited financial statements, industry publications, and other relevant sources. Where certain information cannot be obtained, taxpayers should document the limitations and explain the basis for selecting the comparables, taking into consideration the overall facts and circumstances of the controlled transaction.
8.	We had done TP Documentations in 2023. Do we need to do TP Documentation every year?	Yes. Contemporaneous transfer pricing documentation (CTPD) must be prepared for each year of assessment in which the taxpayer enters into controlled transactions, unless a taxpayer is exempted under the MTPG 2024. Please refer to Chapter 11 of the MTPG 2024 on the HASiL Portal for the details on this matter.
9.	Can you elaborate more on “accurate delineation of transaction”? What is the IRB’s expectation of this “delineation”?	Accurate delineation of a controlled transaction means identifying the actual transaction by considering the following elements: i) contractual terms, ii) the conduct of the parties, and iii) the economically relevant circumstances. This ensures that the controlled transaction is accurately characterised before it is compared with comparable uncontrolled transactions and before the most appropriate transfer pricing method is applied. The HASiL expects taxpayers to identify the actual transaction supported by sufficient facts and documentation, rather than relying solely on its legal form or contractual description. As accurate delineation is a fundamental concept in applying the arm's length principle, taxpayers should refer to Chapter 2 – The Arm's Length Principle of the MTPG 2024 for detailed guidance.

NO.	QUESTION	ANSWER
10.	Is the ALP range is a standard range set by IRB and must be fulfilled by taxpayers?	The arm's length range (ALR) under the TP Rules 2023 is used to determine whether a controlled transaction complies with the arm's length principle. The price of a controlled transaction is an arm's length price if it falls within the range of the 37.5th to 62.5th percentile. Where the price falls below the 37.5th percentile, the median is the AL price and an adjustment should be made to reflect this price.
11.	Can a company (the tested company) use one TP method (TNMM – NCPM as the Profit Level Indicator) and then calculate a 3-year weighted average using that method across various transactions with related parties? For example: Sales to Related Party A, Purchases from Related Party B, Operating Expenses with Related Party C, and Salary charge-backs to Related Party D based on working hour.	Taxpayers should select the most appropriate transfer pricing method and profit level indicator (PLI) based on the nature of the controlled transaction, considering the functions performed, assets used, and risks assumed by the parties involved. Therefore, using a method across various transactions is not acceptable. Taxpayers should not use a multiple-year average, as this is not allowed under paragraph 7(6)(b) of the TP Rules 2023. The benchmarking analysis should be based on the most current reliable financial data of comparable companies that is readily available at the time the TPD is prepared. Please refer to the FAQ on Matters Pertaining to Transfer Pricing 2.0 available on the HASiL Portal for further clarification on benchmarking analysis matters.
12.	Hi Puan Suhani, what does "controlled transaction" mean in transfer pricing? Thanks	A controlled transaction refers to a transaction involving the acquisition or supply of property or services including financial services between associated persons. In general, it refers to transactions carried out between related parties. Examples of controlled transactions include the purchase or sale of goods, provision of services, transfer of intangible assets, and financial assistance between related parties.
13.	If a comparable company report making losses in the NCP ratio or in particular year, should the comparable company result be excluded from the arm length analysis or reference? thanks.	The inclusion or exclusion of a loss-making comparable should be determined based on the facts and circumstances of the case and the outcome of the comparability analysis. A comparable company should not be excluded solely because it reports losses in a particular year.

NO.	QUESTION	ANSWER
		Where a comparable company records consecutive losses for three or more years of assessment, this comparable company may not be accepted as a good and reliable comparable. *(Please refer to Q&A No. 30, which addresses the same issue.)*
14.	Regarding the ALP study, comparing to market available info. Example for a company year end Dec'26, while preparing and study for the ALP, the market available info is only past years and the market condition is changing over the years, especially this year oil prices impact from Israel War, sales drop significant, cost increase dramatically, how should we deal with this situation.	The arm's length price must be complied with contemporaneously on a year-by-year basis. The price of an uncontrolled transaction is the most reliable comparable to reflect the same or similar economic environment of the taxpayer's controlled transaction if it is carried out within the same basis period. However, to minimise the impact of practical issues on benchmarking analysis, the use of financial year of comparable companies that may reflect similar economic environment of the taxpayer's controlled transactions which can increase the reliability of the comparability analysis may be allowed. Please refer to Chapter 4 of the MTPG 2024 on the HASiL Portal for the details on this matter.
15.	We did the yearly TP documentation. Do we need also to maintain internal TP policy in our company?	An internal TP policy, if maintained by the taxpayer, can help explain how the taxpayer determines the pricing for its controlled transactions and ensures that the same approach is applied consistently, particularly for recurring transactions. However, TP Rules 2023 and MTPG 2024 do not specifically require taxpayers to prepare a separate internal TP policy. Taxpayers should maintain relevant information and documents that support the TP analysis and the determination of the arm's length price for their controlled transactions as provided in TPD. Taxpayers should assess the adequacy and extent of their TPD based on the size, complexity, and circumstances of their business and transactions, as outlined in Chapter 11 of the MTPG 2024.

NO.	QUESTION	ANSWER
16.	Pn Suhaini, what are examples of comparability adjustments accepted by IRB?	Comparability adjustments may be accepted when the adjustment enhances accuracy and reliability of comparison. Comparability adjustments are made to eliminate any differences that could significantly impact the conditions of the comparable transactions Comparability adjustments may include but are not limited to accounting adjustments, where differences in accounting treatment between the tested party and comparables affect the financial indicators.
17.	We understood that no adjustment might be required for any figures above the ALR. However, would there be any issue triggering if the factor(%) is above the ALR? Thank you.	In the case of overpricing and underpricing, the median will be the arm's length price. It depends on which perspective the taxpayer preparing the analysis.
18.	Hi, how to determine on this Situation. Company B and C are both owned 100% by Company A. C provide service to B and charge fees in MYR. Then B provide Services to its Client and charge in USD. How to determine the Arm's Length? Which pricing should be the Benchmark in determining the A.L.R?	 The determination of the arm's length price should be made in respect of the controlled transaction between Company B and Company C. In contrast, the transaction between Company B and its independent client is an uncontrolled transaction and is therefore not subject to the determination of the arm's length price.

NO.	QUESTION	ANSWER
19.	Pls clarify if IRBM would concur the principles as per article 9 and chapter X of OECD TP guidelines in delineation the nature of financial assistance of equity vs debts, as now there is lacking of domestic TP guidelines on Financial transactions. In real audit, the Officer does not accept explanations and supporting doc that equity capital funding even through clearly documented in CTPD submitted	We would like to inform you that Malaysia Transfer Pricing Guidelines Controlled Financial Transactions: Intra-Group Loans (MFTIL) has been published on 30 July 2026 and is available on the HASiL Portal. The MFTIL provides comprehensive guidance to determine whether the intra-group loan in is consistent with the arm's length principle, as required by the ITA , the Rules, and the MTPG, which are currently in force. If taxpayer having cross border transactions they may make references to the OECD Transfer Pricing Guidelines and UN Practical Manual on TP. However, compliance with domestic requirements take precedence.
20.	Amount due from/to inter-company are arose from payment on behalf, do we need to fill up as RPT in Form C?	Yes, payments made on behalf of a related party constitute part of a controlled transaction. Where the payment on behalf remains unpaid beyond normal commercial terms, the arrangement is considered as financial assistance provided by one related party to another. In such circumstances, the transaction needs to be disclosed in Form C as related party transaction i.e., loans to/ from associated person.
21.	If let’s say the control between 2 parties is less than 20%, however it is related by the virtue of family members, it should be considered as related party, right?	The determination of "Control" can be found in Section 139, subsections 140A(5) and (5A) of the Income Tax Act 1967 (ITA). Please refer to the Chapter 1 of the MTPG 2024 and FAQ, available on the HASiL Portal, for further clarification on the determination of control under section 139 and subsection 140A(5A).
22.	Section 140A(5A) (c) should this be appointment of one or more than one director or member of the board? Slide 4 mentions appointment of more than one director.	The correct wording is “one or more of the directors or members of the board of directors of a person are appointed by the other person or third person”. The information has been updated in the MTPG 2024.

NO.	QUESTION	ANSWER
23.	Why would IRB adjust CP if it is > ALP since the tax payer is paying more tax and if the higher CP is explainable owing to high margins from niche product mix diff from peers	In the case of overpricing and underpricing, the median will be the arm's length price. It depends on which perspective the taxpayer preparing the analysis. The determination of whether an adjustment is required depends on the facts and circumstances of the controlled transaction, including the functions performed, assets employed, risks assumed, and the outcome of the comparability analysis.
24.	Our Head Office in Singapore setup an IT office in Malaysia. The staff are placed in our office and we process their payroll here but these staff report directly to our Head Office IT department. As such, is there any control transaction exist and is there transfer pricing implication.	Based on the information provided, further details are required to determine whether there is a controlled transaction and any transfer pricing implications. In the instances where the Malaysian company employs the staff and bears their payroll costs and dealing with the Singapore Head Office's IT department, the transaction between them may constitute a controlled transaction.
25.	For "payment on behalf" - does it mean that the payer has to pay directly to the supplier; or transfer the funds to the buyers for their onward settlement the supplier?	"Payment on behalf" refers to a situation where one related party settles an expense or obligation incurred by another related party. This may include payment made directly to the supplier or, depending on the arrangement, funds provided to the related party for settlement of the underlying obligation.
26.	For control, do we also need to look at indirect control? For example, Company A - Husband 100% owned, Company B - Wife 100% owned. In this scenario, they do not direct control the opposite company, does this still consider control exists?	The husband and wife are regarded as associates under subsection 139(7). The illustration in example 1.3 of the MTPG 2024 may be referred for this situation.
27.	if enterprise (sole prop / partnership) transfer the business to sdn bhd and sold their balance of stock in hand cost to cost from enterprise to sdn bhd, will this have arm length issue?	Yes, the transaction is subject to the arm's length principal if the enterprise and the Sdn. Bhd. are controlled persons. Treatment on the stock in trade under subsection 35(5) should be applied by the person who transferred the business.

NO.	QUESTION	ANSWER
28.	Under what specific conditions or documentation standards will LHDN justify moving past the default median.	If the DG (Director General) have reasonable grounds to believe that the price or the interest rate applied is not at arm's length due to a lesser degree of comparability or the existence of comparability defects that cannot be quantified, identified or adjusted the adjustment can be made to address these discrepancies. LHDNM officers are obligated to provide justification for their adjustments.
29.	If an enterprise (sole prop / partnership) decide transfer their business to company (sdn bhd) and they sold the balance stock in hand from enterprise to sdn bhd by cost to cost, will this have arm length pricing issue?	*Duplicate question (refer to Q&A No. 27).*
30.	For selected comparable companies - year 1 profit, year 2 profit but year 3 loss - since out of 3 years financial results not more than 2 years losses, the comparable company in loss position will still be selected as comparable company for benchmarking purpose. Please confirm the above is acceptable by IRBM. Recent audit by IRBM, loss comparable companies are rejected. Please share IRBM view on loss cos.	The inclusion or exclusion of a loss-making comparable should be determined based on the facts and circumstances of the case and the outcome of the comparability analysis. Where comparable company records consecutive losses for three or more years of assessment, this comparable company may not be accepted as good and reliable comparable. *Please refer to Q&A No. 13, which addresses the same issue.*
31.	Father holds 99% shares of Company MM. while Son A,B C, D, E each holds 10% shares of Company LL. Is Company MM related party of Company LL?	In cases where the shareholdings (direct or indirectly) are less than 50% and do not meet subsection 140A(5A), the control may be existing if the person is the largest shareholder in the company. This has been decided by the court of appeal in the following cases: a) Ketua Pengarah Hasil Dalam Negeri vs Ensco Gerudi (M) Sdn. Bhd.; dan b) Lam Kam Wing vs Ketua Pengarah Hasil Dalam Negeri. This matter will be discussed with our legal department and changes may be made to the diagram in the MTPG 2024 if necessary.

NO.	QUESTION	ANSWER
		The transaction between Company MM and Company LL may be regarded as controlled transaction if: i) A, B, C, D and E collectively hold 20% and above and made the requirement under subsection 140A(5A); or ii) A, B, C, D and E collectively hold the largest shareholder in company LL.
32.	Chart on application of 140A(5A) are the requirements of box with shareholding at least 20% and the box on meet one of the following to be read jointly to determine control or are the requirements of each box to be applied independently? That is once any one condition applies , control is deemed to exist?	The flowchart is intended to explain the application of subsection 140A(5A). In this subsection, control exist when a person or third person hold at least the 20% of the shareholding and meet one or more conditions stated in the subsection. Please refer to the Chapter 1 of the MTPG 2024 and FAQ available on the HASiL Portal, for further clarification on the determination of control under section 139 and subsection 140A(5A).
33.	If let's say the control between 2 parties are less than 20%, however it is related by the virtue of family members, should it be considered as related party?	*Duplicate question (refer to Q&A No. 21).*
34.	Are discounts allowed between related parties, provided the transaction complies with the ALP?	Any transaction between related parties including discount should comply with the arm's length principle. The taxpayer should keep supporting documents to demonstrate that the discount is commercially reasonable and could also have been offered between independent parties under similar circumstances.
35.	If an individual holds 30% shares in ABC Sdn Bhd and 51% in XYZ Sdn Bhd and he is one of the two directors in both the companies, does this scenario fall under Section 140A(5A) under the ITA 1967?	Based on the fact provided the individual has controlled on XYZ Sdn. Bhd. However to establish control in ABC Sdn. Bhd. beside the 30% shareholding the individual should meet one or more of the following conditions: (a) the business operations of one person depend highly on the proprietary rights of the other person or a third person;

NO.	QUESTION	ANSWER
		(b) the other person or a third person specifies or directs that person's business activities; or (c) the other person or a third person appoints more than one director or member of the Board of Directors of that person. If both controls have been established, the transactions between ABC and XYZ are control transactions.
36.	If two entities (one in Malaysia and another outside Malaysia) are having same holding company. Can transactions between these two companies are controlled transactions? Is there any minimum monetary limit of total transactions to qualify as controlled transactions?	Control transaction must be established based on section 139, subsection 140A(5) and subsection 140A(5A) of the ITA. Please refer to the Chapter 1 of the MTPG 2024 and FAQ available on the HASiL Portal, for further clarification on the determination of control under section 139 and subsection 140A(5A).
37.	Are all transfer pricing transactions require to have contracts/agreements to support, or issuance of PO without contracts for normal business operations is acceptable as long as we justify the pricing in TPD?	*Duplicate question (refer to Q&A No. 1).*
38.	Ali and Muthu hold 50:50 in Company A. Ali, Muthu and Ah Hock holds 10:10:80, respectively, in Company B. Is transaction between Company A and Company B controlled?	Control transaction must be established based on section 139, subsection 140A(5) and subsection 140A(5A) of the ITA. Based on the facts provided, the transactions between Company A and Company B is not considered as a controlled transaction. This is because Ali and Muthu each hold only 10% of the shares in Company B and do not meet the requirement under subsection 140A(5A). This is accurate based on the assumption that Ali and Muthu do not have "relative" or "associate" relationship.

NO.	QUESTION	ANSWER
39.	In a situation, where Company A, holds 51% shares in Company B. And Company B holds 51% in Company C. Mr X holds 50% in Company A, another 50% is held by third party. and Mr X's uncle holds 49% in Company C. Does Company A consider associate company of Company C?	Control transaction must be established based on section 139, subsection 140A(5) and subsection 140A(5A) of the ITA. Due to complexity of the facts provided in this situation, appropriate determination of control cannot be furnished. Please refer to the Chapter 1 of the MTPG 2024 and FAQ available on the HASiL Portal, for further clarification on the determination of control under section 139 and subsection 140A(5A).
40.	What happened if over priced?	Taxpayers engaging in transactions with related parties must ensure that such transactions are priced in accordance with the ALP. Subsection 140A(2) mandates that all controlled transaction must comply with the ALP. Subsection 140A(3) gives the power to DG to make an adjustment to the transaction to reflect the arm's length price if there is evidence that the transaction is not at arm's length.
41.	Hello, may I know for ALR median calculation, what is the dataset based on?	The ALR is determined based on the data set obtained from the comparable transactions or companies identified through the comparability analysis. Under TP Rules 2023, the ALR is the range from the 37.5th to the 62.5th percentile of the data set acceptable to the DG. Median is the value at the midpoint of ALR. Please refer to Examples 2.2 and 2.3 in Chapter 2 of the MTPG 2024 for further details on the calculation.
42.	Can you explain on data set value 37.5 percentile to 62.5 percentile?	The 37.5th percentile and 62.5th percentile are calculated based on the data set obtained from the comparable companies or transactions identified in the benchmarking analysis. In simple terms, the 37.5th and 62.5th percentiles set the lower and upper limits of the arm's length range, while the median is the value at the midpoint of ALR.

NO.	QUESTION	ANSWER
43.	if a taxpayer has satisfied all para 1.5(a) to 1.5(c) but fail to satisfy para 1.5(d) which is the 24% headline tax for both co, does that taxpayer still able to enjoy the para 1.5 exemption? Note that the total value of controlled transaction of the taxpayer is less than RM1 million.	The conditions set forth in paragraph 1.5(a) to 1.5(d) of the MTPG 2024 must be complied collectively. In this situation since the taxpayer fails to comply with one of the conditions, therefore, the taxpayer is not exempt from preparing TPD. Please refer to the Chapter 1 of the MTPG 2024 and FAQ available on the HASiL Portal for matters relating to the requirement to prepare TPD.
44.	Company A manufactures products and sells them to related Company B at cost. Company B sells the products to external customers. Company A also provides administrative support and shared facilities (office, utilities, printing, stationery and sales processing) and charges Company B a monthly fee of RM20,000 to recover these costs. is this allowable?	Taxpayers engaging in transactions with related parties must ensure that such transactions are priced in accordance with the ALP. Subsection 140A(3) gives the power to DG to make an adjustment to the transaction if there is reason that the transaction is not at arm's length.
45.	If a taxpayer has satisfied all para 1.5(a) to 1.5(d) and involved in domestic controlled transactions only, does that taxpayer still required to prepare MINIMUM transfer pricing documents (especially that taxpayer is a SME in Malaysia)?	Where a taxpayer qualifies for the exemption under paragraph 1.5 of the MTPG 2024, the taxpayer is not required to prepare CTPD. However, the taxpayer must still comply with the arm's length principle for all controlled transactions and keep relevant documents to support that the taxpayer is eligible for the exemption and the controlled transactions have been conducted at arm's length price.
46.	If the parent controlled has existed throughout the FY, but its subsidiary was only incorporated 6 months before the FY end, is the subsidiary still required to prepare TP documentation?	The subsidiary is required to prepare TPD in the basis period for the year of assessment where the controlled transactions are engaged into. If the six months period is the basis period for the YA, the TPD should be prepared in accordance with the basis period. Please refer to Public Ruling No. 8/2014 for guidance on determination of the basis period.

NO.	QUESTION	ANSWER
47.	For YA 2022 TP, should we apply the 2012 Transfer Pricing Guidelines or the 2024 Transfer Pricing Guidelines? what is the difference between 2012 and 2024	For YA 2022 and prior years, the applicable transfer pricing framework is the Income Tax (Transfer Pricing) Rules 2012 and the Malaysian Transfer Pricing Guidelines 2012 (Updated 2017). For YA 2023 onwards, taxpayers are required to prepare CTPD in accordance with the requirements under the TP Rules 2023, with the relevant guidance provided in the MTPGL 2024.
48.	Our Malaysia entity provides regional management, finance, HR, IT, and business development support to our subsidiaries in Singapore, Thailand, Indonesia, and Vietnam. What transfer pricing methodology and documentation would LHDN expect to support these intercompany management charges during an audit?	The transfer pricing methodology and documentation requirements depend on the facts and circumstances of each case. Please refer to Chapter 11 and Appendix A of MTPG 2024 for documentation on specific transactions in relation to intra-group services.
49.	For selection of loss-making comparable companies -yr 1 profit , yr 2 profit and yr 3 loss - so long not more 3 years consecutive loss - loss comparable companies will be selected . Please confirm the above is acceptable by irb. Tq	*Duplicate question (refer to Q&A No. 30)*
50.	For taxpayers who qualify for the exemption under Paragraph 1.5 and are not required to prepare Full Scope Transfer Pricing Documentation, what minimum supporting documentation does IRBM expect to see during a transfer pricing audit?	Taxpayers who qualify for the exemption under paragraph 1.5 of the MTPG 2024 are not required to prepare CTPD. However, they must still comply with the ALP under section 140A of the ITA and providing proof on the eligibility of the exemption. There are no specific guidelines prescribing the exact documentation that must be maintained as the relevant documentation will depends on various business circumstances. However, Appendix A of MTPG 2024 may be referred for specific transactions.

NO.	QUESTION	ANSWER
51.	Does s140A apply to local TP also? Must HASiL prove that there is tax avoidance before applying s. 140A?	Section 140A applies to both domestic and cross-border controlled transactions. Subsection 140A(2) requires all controlled transactions to comply with the ALP.
52.	When guidelines on intra group financing will be issued? Tq	The MFTIL 2026 was published by the HASiL on 30 July 2026 and is available on the HASiL website.
53.	A company borrow loan to oversea affiliates without interest. No tax on foreign source income as the income is not remitted to Malaysia. will it have TP surcharge on TP adjustment?	Subsection 140A(2) requires all controlled transactions including loan to overseas affiliates to comply with the ALP. If the transactions do not comply with the ALP, subsection 140A(3) allows the DG to make adjustments to reflect the arm's length price/ interest rate regardless of whether the interest is remitted to Malaysia or not. Subsection 140A(3C) provide the power to the DG to imposed surcharge of not more than 5% on the TP adjustment.
54.	Hi Pn Suhaini, in regard to the selection of local comparable companies, noted that if there is insufficient comparable companies, we can use the latest available FS. Does this mean, FY25 tested party vs FY24 comparables? Or it can be FY25 tested party vs a mixture of FY25 and FY24 (depending which comparable has the latest one)?	The ALP must be applied contemporaneously on a year-by-year basis, and a contemporaneous uncontrolled transaction is generally the most reliable comparable as it reflects the same or similar economic environment as the taxpayer's controlled transaction within the relevant basis period. In applying the ALP, the key consideration is not whether all comparable companies use financial data from the same calendar year, but whether the comparable companies' financial periods sufficiently overlap with the tested party's financial year-end (FYE) and reflect similar market conditions and economic circumstances as the taxpayer's controlled transactions. A tested party's FYE results may therefore be compared with comparable companies having an FYE prior to or after the tested party's FYE, provided that the overlapping period remains representative of the relevant economic environment and there are no material changes that significantly affect comparability.

NO.	QUESTION	ANSWER
		The DG may allow the application of data from the prior years as a guidance to determine the arm's length pricing when the taxpayer prepare the benchmarking analysis in the event of the current year financial data is not available. For example, if the tested party period is FY25, the tested party may use the comparables FY24 in preparing the CTPD for FY25 if those are the latest financial information available at the time of preparation. Based on subrule 7(6) of the TP Rules 2023, the comparable period should be within the same basis year for a year of assessment (YA) to ensure the reliability of the comparability analysis. Therefore, the taxpayer has to update the benchmarking analysis by using the latest financial data once it is available. The practice of updating the benchmarking analysis will not make the original transfer pricing documentation non-contemporaneous. In the above example, the tested party is required to update the comparable financial information once the FY25 is available. If the update resulted in transfer pricing adjustment, taxpayer may be exposed to a surcharge under subsection 140A(3C) of the ITA.
55.	Two companies (one in Malaysia and another outside Malaysia) having same holding company outside Malaysia. Will transactions between these two companies be considered as Controlled transactions? Is there any limit of minimum transactions value to qualify as controlled transactions requiring APL documents.	Controlled transactions must be determined based on section 139, subsection 140A(5), and subsection 140A(5A) of the ITA. Please refer to the FAQs on Chapter 1 of the MTPG 2024, available on the HASiL website, for further clarification on the determination of control under section 139 and subsection 140A(5A). There is no threshold for a transaction to be regarded as controlled transactions. Once the transactions are regarded as controlled transactions it must comply with the arm's length requirement.
56.	Is equity financing >Rm50 mil which is not subject to interest be required to prepare a Full TPD?	Where the funding is in the form of genuine equity, such as a capital injection or share issuance, it is generally not regarded as a financial assistance for the purpose of transfer pricing in Malaysia. Therefore, this transaction shall not be part of the TPD. However, the disclosure in form C for this item is still necessary.

NO.	QUESTION	ANSWER
57.	Puan, if a company are exempted from preparing CTPD, what documents they need to prepare to prove arms length? May you share some examples?	Taxpayers who qualify for the exemption under paragraph 1.5 of the MTPG 2024 are not required to prepare CTPD. However, they must still comply with the ALP under section 140A of the ITA and providing proof on the eligibility of the exemption. There are no specific guidelines prescribing the exact documentation that must be maintained as the relevant documentation will depends on various business circumstances. However, Appendix A may be referred for specific transactions.
58.	What if there's no intention for cash settlement, interco or offset arrangement and simply we wish to transfer the benefit. How would TP rules apply in this?	Financial assistance refers to but not limited to loan, interest bearing trade credit, advance or debt and the provision of any security or guarantee. Therefore, any transactios that falls within this definition is regarded as financial assistance from one related party to another regardless of whether there is no cash settlement, interco or offset arrangement, unless it is proven that the transaction is equity contribution. Subsection 140A(2) requires all controlled transactions including financial assistance to comply with the ALP.
59.	I have 3 companies for 3 different branches. I own above 75% for all branches. Sometimes there is a special price for group purchase under company A. After that the stock is sold to company B n C at 10% profit, where the item is at same price or slightly higher as compare to the original cost price to buy from the supplier. Is this considered applied AP rule?	No, the ALP requires that the terms and conditions of controlled transactions should not differ from those that would be agreed between independent parties in an uncontrolled environment. Based on the fact provided, the transactions are conducted not at arm's length.

NO.	QUESTION	ANSWER
60.	A 5% markup on cost is considered an acceptable arm's length price?	The ALP requires that the terms and conditions of controlled transactions should not differ from those that would be agreed between independent parties in an uncontrolled environment. Therefore, a 5% mark-up does not automatically mean that the transaction complies with the ALP unless for Low Value Adding Intra-group Service (LVAS). Please refer to Chapter 6 of the MTPG 2024 on Simplified Approach for LVAS.
61.	Must the 5 ERC be identified for each controlled transaction? Generally, this is only done for main business activities and not other controlled transactions such as rental. What is IRB's view on this.	MTPG 2024 (para. 2.18 - 2.20) require controlled transactions to be analysed based on the five ERC for purposes of accurate delineation and comparability analysis. Accordingly, the requirement is not limited only to core business transactions. Any controlled transactions that is incidental to the core business transactions need not be analysed based on the five ERC. Other controlled transactions that is significant to the taxpayer's business should be analysed separately using the five ERC.
62.	Ali and Muthu holds 50:50 in Company A. Ali, Muthu and Ah Hock holds 10:10:80, respectively, in Company B. Is transaction between Company A and Company B controlled?	*Duplicate question (refer to Q&A No. 38)*
63.	Hi, when calculating the ALR and applying the 37.5 and 62.5 percentile on the data set. What is the dataset based on or what is it?	The dataset refers to the results of the benchmarking analysis on the selected comparable companies identified from the comparability analysis.
64.	Company A is holding company of Company B and Company C. Company A and Company B provide services to Company C. Is Company C allow to rely the TP doc prepared by Company A and Company B as Company C is the receiver of service only? Or Company C must also prepare the TP doc?	The preparation a CTPD is based on entity basis. Therefore, Company C should have its own CTPD.

NO.	QUESTION	ANSWER
65.	Our Malaysia entity provides regional management, finance, HR, IT, and business development support to our subsidiaries in Singapore, Thailand, Indonesia, and Vietnam. What transfer pricing methodology and documentation would LHDN expect to support these intercompany management charges during an audit?	*Duplicate question (refer to Q&A No. 48)*
66.	Is transfer pricing applicable if related companies jointly purchase goods in bulk to obtain better prices from suppliers, and the costs are allocated among the companies based on their actual purchases?	Determination of controlled must be based on section 139, subsection 140A(5) and subsection 140A(5A) of ITA. Subsection 140A(2) requires all controlled transactions to comply with the ALP. If the DG have reasonable grounds to believe that the price is not at arm's length, the DG may make adjustment under subsection 140A(3) to reflect the arm's length price and impose surcharge under subsection 140A(3C) if necessary.
67.	For benchmarking, what databases can HASIL accept?	HASiL does not have any preference on database used for benchmarking. Taxpayers may identify potential comparables by using reliable and valid sources of information, including databases, internet sites and information on known competitors of the taxpayer. The selected comparables should comprise companies that operate in the same sector of activity, perform similar functions, employ similar assets and assume similar risks, and do not have material differences from the tested party.
68.	When can we expect the transfer price guidelines on financial assistance can be released, in view of the intensified IRB's audit on the said issue	The MFTIL 2026 was published by HASiL on 30 July 2026 and is available on the HASiL website.

NO.	QUESTION	ANSWER
69.	Is this Transfer Pricing also applicable on purchasing property between relative company?	A controlled transaction refers to a transaction involving the acquisition or supply of property or services between associated persons. It also covers the purchasing of property between related party.
70.	If a PE or Malaysian Branch files audited accounts with CCM like other Companies, can such PE enjoy the exemption under Para 1.5 or prepare MTPD if doesn't meet Para 1.7?	As stated in paragraph 1.4 of the MTPG 2024, a Permanent Establishment (PE) is required to prepare its own full CTPD separately from its head office and related branches, regardless of whether it fulfils the conditions under paragraph 1.5 or paragraph 1.7.
71.	What are the documentary evidence to demonstrate ALP required to prove AL for those not required to prepare TPD and thhose only required to prepare min TPD? Can provide guidance on this and to include this in written guidance in future.	In accordance with paragraph 1.6 of MTPG 2024, supporting documents relevant to demonstrating arm's length compliance may include benchmarking. Where a taxpayer relies on a benchmarking analysis to demonstrate that its controlled transactions comply with the ALP, such benchmarking should be prepared in accordance with the requirements stipulated in the TPR 2023 and MTPG 2024 and be made available upon request during a transfer pricing audit. However, there are no specific guidelines outlining the exact documentation that should be prepared by companies qualifying for the exemption under paragraph 1.5, as business circumstances vary for every taxpayer.
72.	Is there a guideline for FAR analysis?	Please refer to MTPG 2024 Chapter 2, paragraphs 2.27-2.54, and Chapter 4 on Comparability Analysis. These sections provide the relevant guidance for performing FAR analysis and assessing the suitability of comparables.
73.	Is this TP applicable only for business income or also non-business income?	Transfer pricing applies to controlled transactions regardless of whether the transactions are related to business income or non-business income.
74.	When comparable companies with both similar production methods and product types are unavailable, what factors does IRBM consider most important in selecting the most reliable comparable companies for benchmarking purposes?	When comparable companies with both similar production methods and product types are unavailable, HASiL places primary emphasis on 5 ERC to identify the comparables comparable’s companies. Any material differences may be addressed through comparability adjustments, provided that such adjustments improve the reliability and accuracy of the benchmarking analysis.

NO.	QUESTION	ANSWER
75.	Our Malaysia entity provides regional management, finance, HR, IT, and business development support to our subsidiaries in Singapore, Thailand, Indonesia, and Vietnam. What transfer pricing methodology and documentation would LHDN expect to support these intercompany management charges during an audit?	*Duplicate question (refer to Q&A No. 48)*
76.	The Next Move - FAQ on ESG 2025. Preparation for TPD for YA2023 onwards and Expenses incurred within YA 2024 to YA 2027 -> so expenses incurred for YA 2023 TPD is deductible or non-deductible, is a bit confusing	Expenditure incurred for the preparation of a CTPD for YA 2023 is eligible for the deduction under the ESG Rules 2025, provided that the expenditure is incurred during the qualifying period i.e within YA 2024 to YA 2027.
77.	Let say we refer Rules 2026 under DG . Then the interest charge is 7% refer to current economic market. Means not follow ALP. Need we do adjustments on the agreement for reduce the %?	Subsection 140A(2) requires all controlled transactions including financial assistance to comply with the ALP. If the interest charged on the financial assistance does not comply with the ALP, subsection 140A(3) allows the DG to make adjustments to reflect the arm's length interest rate (ALIR) and imposed surcharged under subsection 140A(3C) if necessary. In this example, if 7% interest charge is not arm's length, adjustment may be made to reflect the ALIR. Please refer to the MFTIL 2026 that has been published on 30 July 2026 for further guidance on this matter.
78.	In a transfer pricing audit, how does LHDN evaluate the impact of underutilized production capacity on profitability, and under what circumstances would LHDN accept a capacity utilisation adjustment in the benchmarking analysis?	HASiL may consider the impact of under utilised production capacity if the taxpayer can demonstrate that the profitablity for the particular year is affected by the under utilised production capacity. This under utilised production capacity must not be recurrent activities that can be regarded as normal business activity. Taxpayers should support the under utilised production capacity analysis and documentary evidence and provide the documents during the audit.

NO.	QUESTION	ANSWER
79.	CTPD for 2024 need to be completed by Aug 2025 but most of the comparable data are only available by end of 2025. If it was disclosed that the company falls outside the arm's length range after updating the benchmarking at the end of 2025, what can the taxpayer do given tax return has been submitted and CTPD has been time stamped?	The arm's length price must be complied contemporaneously on a year-by-year basis. The price of an uncontrolled transaction is the most reliable comparable to reflect the same or similar economic environment of the taxpayer's controlled transaction if it is carried out within the same basis period. Where comparable companies' FY2025 financial data are not available when the CTPD is prepared, the benchmarking analysis may be performed using the most reliable financial information available at that time. Once the financial data is available, the benchmarking analysis must be updated to reflect the actual arm's length range for those controlled transactions. If the taxpayer falls outside the arm's length range after updating the benchmarking analysis, the taxpayer may make a voluntary disclosure on the transfer pricing adjustment as provide under Transfer Pricing Tax Audit Framework (TPTAF) 2025.
80.	for a Director's loan to company the arm's length interest rate (ALIR) can based on FD rates? please share about the benchmarking interest rate	Please refer to the MFTIL 2026, which were published by HASiL on 30 July 2026 and are available on the HASiL website. If the transaction of director's loan to a company falls within the definition of a controlled transaction, it must comply with the ALP under section 140A of the ITA. Therefore, a fixed deposit rate cannot be automatically regarded as the ALIR. Instead, reference should be made to the MFTIL 2026 to determine whether the transaction qualifies to use the Deposit Rate under the simplified method. If the conditions are not met, a benchmarking/comparability analysis should be performed to determine the appropriate ALIR.
81.	Holding Co owns Co A and B at 100%. Co A charge Software subscription fees in MYR to Co B and its own Customer .While Co B charge Management services fees(Including usage of the Software subscription) in USD to its Customers. Question: How to determine the Pricing based on A.L.P?	Based on the information provided, further details are required to identify transfer pricing implications. The determination of the arm's length price should be made in respect of controlled transaction between related parties. Please refer to Chapter 2 and 3 of MTPG 2024 for further guidance in determining the arm's length price.

NO.	QUESTION	ANSWER
82.	Can ou explain more on the calculation of arm's length range?	For a more detailed explanation on the calculation of the arm's length range, taxpayers may refer to Chapter 2 (Arm's Length Principle), paragraphs 2.7 to 2.13 of the MTPG 2024. These paragraphs explain how the arm's length range is determined, including the use of the 37.5th percentile, 62.5th percentile and median, together with illustrative examples.
83.	For minimum TPD, do we need to prepare benchmarking analysis?	Benchmarking analysis is not specifically required for the preparation of Minimum CTPD. However, taxpayers must still be able to demonstrate that their controlled transactions comply with the ALP. If the benchmarking analysis is used to support compliance with the ALP, it should be prepared in accordance with the requirements of the TPR 2023 and MTPG 2024 and be made available upon request during a transfer pricing audit.
84.	Does Benchmark analysis require for new incorporation/transacted business with less than 2 years operation where it falls under Minimum TP requirement?	The determination of whether to prepare a Full or Minimum CTPD is based on the threshold provided on the MTPG 2024 and does not relate to incorporation period of companies. Eventhough benchmarking analysis is not specifically required for the preparation of Minimum CTPD, taxpayers must still be able to demonstrate that their controlled transactions comply with the ALP using the most appropriate TP Methods. If the benchmarking analysis is used to support compliance with the ALP, it should be prepared in accordance with the requirements of the TPR 2023 and MTPG 2024 and be made available upon request during a transfer pricing audit.
85.	As per our current audit situation, even director loan need do TP, can I know what the purpose? Since director loan is to help company cash flow	If the director loan is a controlled transaction, then the trasanctions should comply with the ALP. TP Documentation is the first line defense for taxpayer during the TP audit. Not all taxpayers are required to prepare CTPD. Taxpayers who fall under paragraph 1.5 of the MTPG 2024 are not require to prepare CTPD. However, they still need to comply with the ALP on the controlled transactions.

NO.	QUESTION	ANSWER
86.	What happened if above ALR or company has over priced? Any penalty or surcharge imposed?	Taxpayers engaging in transactions with related parties must ensure that such transactions are priced in accordance with the ALP. Subsection 140A(2) mandates that all controlled transaction must comply with the ALP. Subsection 140A(3) gives the power to DG to make an adjustment to the transactiosn to reflect the arm's length price if there is evidence that the transaction is not at arm's length. A surcharge may be imposed if the TP adjustment is made to basis periods commencing on or after 1st January 2021.
87.	Is equity financing >Rm50 mil which is not subject to interest be required to prepare a Full TPD?	Duplicate question (refer to Q&A No. 56)
88.	If company A loan company B a sum of money without interest, is that okay? Despite Company A is paying loan interest to the bank.	Subsection 140A(2) requires all controlled transactions including financial assistance to comply with the ALP. If Company A does not impose any interest on the loan provided to Company B, the transactions do not comply with ALP. Subsection 140A(3) gives the power to DG to make an adjustment to the transaction to reflect the arm's length price if there is evidence that the transaction is not at arm's length. A surcharge may be imposed if the TP adjustment is made to basis periods commencing on or after 1st January 2021.
89.	Is payment on behalf of related company is considered as related company loan and subject to arm's length interest rate?	Payments made on behalf of a related party may fall under the definition of financial assistance. Therefore, these transactions should be conducted in accordance with ALP. An ALIR should be imposed on payment on behalf that is categorise as financial assistance.
90.	How do you determine the TP is outside the arm's length range? Both margin provided in the examples seems to fall within the ALR.	The TPR 2023 defines the arm's length range as a range of figures or a single figure falling between the value of 37.5 percentile to 62.5 percentile of the data set. Any margin that falls outside these range is not considered as arm's length price. Please refer to Chapter 2 (Arm's Length Principle) of the MTPG 2024 for details guidance on this matter.

NO.	QUESTION	ANSWER
91.	What is the definition of controlled transaction and related party mean in TP ? Related party transaction included holding company, common directors or close family members ?	Controlled transactions must be determined based on section 139, subsection 140A(5), and subsection 140A(5A) of the ITA. Please refer to the Chapter 1 of the MTPG 2024 and the FAQs on Chapter 1 of the MTPG 2024, available on the HASiL website, for further clarification on the determination of control under section 139 and subsection 140A(5A).
92.	If we are preparing TPD for YA2026 (FYE 31 Mar 2026). As FY2026 most of the comparable companies' financial data are not yet available, please clarify: (1) how many prior years' data may be used for benchmarking; (2) whether FY ended 31 Dec 2024 or 31 Mar 2025 comparables are acceptable; and (3) whether the benchmarking must be updated when FY2026 data becomes available.	The ALP must be applied contemporaneously on a year-by-year basis, and a contemporaneous uncontrolled transaction is generally the most reliable comparable as it reflects the same or similar economic environment as the taxpayer's controlled transaction within the relevant basis period. In applying the ALP, the key consideration is not whether all comparable companies use financial data from the same calendar year, but whether the comparable companies' financial periods sufficiently overlap with the tested party's financial year-end (FYE) and reflect similar market conditions and economic circumstances as the taxpayer's controlled transactions. A tested party's FYE results may therefore be compared with comparable companies having an FYE prior to or after the tested party's FYE, provided that the overlapping period remains representative of the relevant economic environment and there are no material changes that significantly affect comparability. The DG may allow the application of data from the prior years as a guidance to determine the arm's length pricing when the taxpayer prepare the benchmarking analysis in the event of the current year financial data is not available. For example, if the tested party period is FY26, the tested party may use the comparables FY25 in preparing the CTPD for FY26 if those are the latest financial information available at the time of preparation. Based on subrule 7(6) the comparable period should be within the same basis year for a YA to ensure the reliability of the comparability analysis. Therefore, the taxpayer has to update the benchmarking analysis by using the latest financial data once it is available. The practice of updating the benchmarking analysis will not make the

NO.	QUESTION	ANSWER
		original transfer pricing documentation non-contemporaneous. In the above example, the tested party is required to update the comparable financial information once the FY26 is available. If the update resulted in transfer pricing adjustment, taxpayer may be exposed to a surcharge under subsection 140A(3C) of the ITA.
93.	Would the advances from a subsidiary to a plc (interco loan) for the purpose of carrying out a share buy back be subject to malaysia transfer Pricing rules?	Financial assistance refers to but not limited to loan, interest bearing trade credit, advance or debt and the provision of any security or guarantee. Advances from a subsidiary to a private limited company may fall under the definition of financial assistance. Therefore, these transactions should be conducted in accordance with ALP. An ALIR should be imposed on payment on behalf that is categorise as financial assistance.
94.	Referring to slide 14. Would there any adjustment if Co B is a local entity.	Similar adjustment would be applicable even if the Company B is local entity.

Questions Answered by Admin and Questions Withdrawn by Participants

NO.	QUESTION	ANSWER
1.	Will the extensive presentation on developments of TP by the moderator be provided to participants?	Replied by admin: For the development of TP in Malaysia, you may refer to the Hasil's website or click the following link: https://www.hasil.gov.my/en/antarabangsa/harga-pindahan/?isStampsSite=false&lang=en&refererUrl=https%3A%2F%2Fwww.hasil.gov.my%2Fen%2Fantarabangsa%2Fharga-pindahan%2F
2.	Can a company (the tested company) use one TP method (TNMM – NCPM as the Profit Level Indicator) and then calculate a 3-year weighted average using that method across various transactions with related parties? For example: Sales to Related Party A, Purchases from Related Party B, Operating Expenses with Related Party C, and Salary charge-backs to Related Party D based on working hour.	Withdrawn by participant
3.	Speaker keep saying at 10:00am 2001, the slide show wed 01.01.2021, which one is correct	Replied by admin: Structure of the imposition of a surcharge for transfer pricing adjustments applicable to basis periods commencing on or after 1st January 2021 - w.e.f 01.01.2021.
4.	What is PE?	Replied by admin: Permanent Establishment (PE)

NO.	QUESTION	ANSWER
5.	I would like to double confirm the introduction of the surcharge will be effective from YA2010 or YA2021?	Replied by admin: Structure of the imposition of a surcharge for transfer pricing adjustments applicable to basis periods commencing on or after 1st January 2021.
6.	How to know the company fall to which CTPD	Replied by admin: You may refer to the Para 1.5 to Para 1.8 of the Malaysia Transfer Pricing Guidelines 2024 (MTPG 2024)
7.	When the Financial Transactions guideline is expected to be released?	Replied by admin: The guidelines are currently under review and are expected to be published in due course.
8.	What other methods are accepted by IRB to prove AL for TPD?	Replied by admin: The other method that is accepted by HASiL is the method that is used by taxpayers in determining the arm's length price of a controlled transaction, provided that that method is proven to provide the highest degree of comparability between the transactions and the prices arrived at are in accordance with the arm's length principle.
9.	Hi Puan, just wanted to know do we need to do TP every year?	Replied by admin: A CTPD should be prepared for each year of assessment in which a controlled transaction is entered into. However, to reduce the cost burden of preparing the CTPD, taxpayers are allowed to conduct comparable searches in databases supporting the CTPD every three (3) years, as long as the operational conditions remain unchanged. Nevertheless, it is necessary to review and update the fi nancial data and suitability of the existing comparable every year in order to apply the arm’s length principle reliably.

NO.	QUESTION	ANSWER
10.	What is Amount B?	Replied by admin: Amount B, introduced as part of the OECD's Two-Pillar Solution, aims to simplify and standardize transfer pricing for routine baseline marketing and distribution activities. This streamlined approach addresses transfer pricing disputes, which often represent a signifi cant portion of tax authority challenges globally. By providing a clear framework, Amount B enhances tax certainty, reduces compliance costs, and minimizes disputes.
11.	TP document need to follow our financial year of audit period or every dec end?	Replied by admin: The transfer pricing documentation (TPD) must brought into existence prior to the due date for furnishing a return for the basis period for a year of assessment in which a controlled transaction is entered into and shall contain information as required under the Rules.
12.	Based on our current audit, why director loan needs to do TP? Since the loan is to help company cash flow.	Withdrawn by participant
13.	Introduction of surcharge wef 01/01/2021. Will surcharge be imposed on tranx b4 01/01/2021? Eg in year 2018	Replied by admin: No. Structure of the imposition of a surcharge for transfer pricing adjustments applicable to basis periods commencing on or after 1st January 2021. Please refer to Transfer Pricing Tax Audit Framework 2025 for more information.