
Press Release

**China Developments
– Forthcoming
Transfer Pricing
Guidelines**

For Immediate Release

CHINA DEVELOPMENTS – FORTHCOMING TRANSFER PRICING GUIDELINES

Shanghai, December 2008 – Transfer Pricing Associates (TPA), the leading independent provider of global transfer pricing services and part of the TPA Global group, understands from discussions with senior members of the State Administration of Taxation (SAT) that the final transfer pricing guidelines will now finally be released before the end of 2008. Multinationals can therefore look forward to additional clarity regarding the SAT's expectations as far as design and documentation of transfer pricing systems for 2008 is concerned. Multinational companies in China should focus on their tax and transfer pricing compliance obligations in China as a matter of high priority in order to ensure that the required tax return disclosures and transfer pricing documentation can be finalized before the end of May 2009.

Timing issues

Multinationals in China need to prepare a detailed project plan to ensure that they are able to address the transfer pricing compliance burden effectively and efficiently.

- Detailed transfer pricing disclosures are to be filed along with 2008 tax return, which is generally due for submission on 31 May 2009.
- The disclosure forms include questions regarding the transfer pricing methods applied and whether transfer pricing documentation has been prepared – companies that disclose no documentation are automatically at higher risk of transfer pricing review.
- Once the tax return has been submitted, the detailed transfer pricing documentation needs to be available for submission at short notice – currently the rules state a deadline of only 15 days with a possible 15 day extension.
- The transfer pricing documentation is to be in respect of transactions in the year ending 31 December 2008 – companies that delay preparation of the transfer pricing documentation run the added risk of discovering problems with the transfer pricing system and not being able to rectify them in respect of the 2008 year.

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About Us

Transfer Pricing Associates (TPA) is the leading independent provider of global transfer pricing services and part of the TPA Global group. The TPA Global group is an independent and specialist provider of expert transfer pricing, tax valuation and customs services, headquartered in Amsterdam and with our own offices and coverage in over 25 countries around the world.

TPA provides high quality transfer pricing advice and assistance to multinationals of all sizes, wherever they are located. For more details of our innovative services, please visit our website at

www.tpa-global.com