Forvis Mazars in the Netherlands

Transfer Pricing Documentation Obligations

2026

Transfer Pricing documentation requirements per revenue threshold

Dutch CITA 1969 | OECD Transfer Pricing Guidelines 2022

< € 50 mln

Consolidated revenue

- **TP documentation**
  Substantiation that transfer prices are at arm's length

≥ € 50 mln

Consolidated revenue

- **TP documentation**
- **Local File**
  Functional and economic analysis per transaction
- **Master File**
  Group overview, TP policy, income allocation

≥ € 750 mln

Consolidated revenue

- **TP documentation**
- **Local File**
- **Master File**
- **CbC Report**
  Per jurisdiction: revenue, profit, tax, activities

Transfer Pricing documentation requirements and penalties

1. Transfer pricing documentation

All Dutch taxpayers that engage in intercompany transactions are obliged to maintain transfer pricing documentation in order to substantiate that its intercompany prices are at arm's length. This documentation should be prepared when filing the corporate income tax (“**CIT**”) return and must be kept in the taxpayer’s administration.

2. Supplementary documentation: Local File and Master File

A group entity of a Multinational Enterprise (“**MNE**”) with a consolidated revenue equal to or exceeding EUR 50 million, is required to prepare supplementary transfer pricing documentation consisting of a Local File and Master File.

Local File

The Local File should include information with respect to the specific cross-border transactions the Dutch group entity is involved in, including a functional analysis and an economic analysis supporting the arm’s length nature of such transactions.

Master File

The Master File should contain an overview of the business of the MNE, its general transfer pricing policy, and the worldwide allocation of income and economic activities. The required information can be grouped into five main fields:

- Organizational structure;
- Business description;
- Intangibles;
- Intercompany financial activities; and
- Financial and tax positions.

3. Country-by-Country Report

Dutch-based MNE’s: An ultimate parent company of a MNE that is based in the Netherlands with a consolidated revenue equal to or exceeding EUR 750 million in the preceding year is required to prepare a Country-by-Country (“**CbC**”) report and submit it to the Dutch Tax Authorities. The CbC report outlines in detail specific information (such as revenues, profit/losses, main business activities, taxes paid, etc.) for each jurisdiction where the MNE operates.

Foreign-based MNE’s: An MNE from which the ultimate parent company is not based in the Netherlands with a consolidated revenue equal to or exceeding EUR 750 million should, in principle, submit the CbC report in the jurisdiction where the ultimate parent company is based. However, under certain circumstances, local taxpayers (including Dutch taxpayers) may be required to submit the CbC report to their local tax authorities.

The group entity of the MNE that is tax resident in the Netherlands should notify the Dutch Tax Authorities on (1) the entity that is submitting the CbC report (reporting entity) and (2) the jurisdiction of the reporting entity.*

4. Penalty regime

Failure to comply with the transfer pricing documentation requirements will shift burden of proof to the taxpayer. In addition, administrative fines, as well as criminal sanctions might be imposed.

Non-compliance with transfer pricing documentation requirements is a criminal offence and penalties can go up to detention for a maximum of 6 months or a fine up to EUR 11,000. More severe penalties are applicable if the offenses are intentional and result in the appropriate amount of tax not being levied. In this case, penalties can be imprisonment for a maximum of 4 years or a fine up to EUR 27,500. In case of a felony, sanctions can be imprisonment for maximum 6 years or a fine of EUR 110,000 with maximum one time the amount of additional tax to be paid. The failure to file a CbC report or CbC notification can result in an administrative fine of maximum EUR 1,030,000 (i.e. maximum fine would only be due upon intentional or gross negligence and recidivism) and imprisonment of up to 4 years in case of a criminal charge.

Transfer Pricing documentation requirements

	TP documentation	Local File	Master File	Country-by-Country Report
Information included	The taxpayer must include in its records: ▪ Information which shows how the transfer prices were established; and ▪ Information from which it can be deduced that, in the market, the transfer prices established would have been agreed to between independent entities	Information regarding: ▪ The local entity ▪ Controlled transactions ▪ Financial information	Information regarding: ▪ Organizational structure ▪ Business description ▪ Intangibles ▪ Intercompany financial activities ▪ Financial and tax position	Specific information for each jurisdiction where the MNE operates (such as revenues, profit/losses, main business activities, employees, taxes paid, etc.)
Deadline to prepare	In the administration of the taxpayer when filing the tax return for the same financial year	In the administration of the taxpayer when filing the tax return for the same financial year	In the administration of the taxpayer when filing the tax return for the same financial year	See below “Deadline to submit”
Deadline to submit	Should be available upon request	Should be available upon request	Should be available upon request	CbC notification: submit to the DTA ultimately on the last day of the financial year CbC report: submit to the DTA within 12 months from the last day of the respective financial year
Language	English / Dutch	English / Dutch	English / Dutch	English / Dutch
Legal framework	Article 8b, par. 3, CITA	Article 29g CITA	Article 29g CITA	Article 29c to 29f CITA

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How can Forvis Mazars help?

Our services

- ✓ Preparation and review of Master File, Local File and benchmarking studies
- ✓ CbCR compliance and filing support (including EU Public CbCR)
- ✓ Advance Pricing Agreements (APAs) and dispute resolution assistance
- ✓ Transfer pricing risk assessments and audit defence
- ✓ Develop global intra-group financing policies and cash pool structures
- ✓ Designing or optimising intercompany pricing models aligned with the company’s value chain
- ✓ Transfer pricing support for business restructurings, supply chain changes and IP migrations

Contact

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Disclaimer

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