

Safe Harbours, APAs and Predetermined Margins

General considerations under a Brazilian perspective

Speakers:

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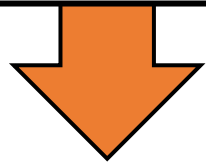
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Safe Harbours, APAs and Predetermined Margins

CALL FOR INPUT ON TRANSFER PRICING ISSUES
RELATED TO THE DESIGN OF THE SAFE-HARBOUR
PROVISIONS AND OTHER COMPARABILITY
CONSIDERATIONS (2020)



Shift to a more favourable approach to Brazilian
predetermined margins?





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“A **safe harbour** in a transfer pricing regime is a provision that applies to a defined category of taxpayers or transactions and that relieves eligible taxpayers from certain obligations otherwise imposed by a country’s general transfer pricing rules (...) Such measures should be adopted (...) with the objective (...) to provide greater **certainty** for cases involving **smaller taxpayers or less complex transactions**”

Should we limit safe harbours to less complex situations?



Need to keep the Brazilian traditional approach (broad applicability), **enhancing...**

Capillarity and reliability of margins

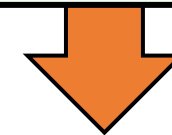
Rebuttability



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“An **APA** is an arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (...) for the determination of the transfer pricing for those transactions over a fixed period of time. Similar policy objectives as those pursued by safe harbours could be achieved for those **more complex and higher-risk** transfer pricing matters through APAs”.

APAs to more complex and high-risk situations



Sectorial APA?

Sectorial APAs vs. Predetermined Margins

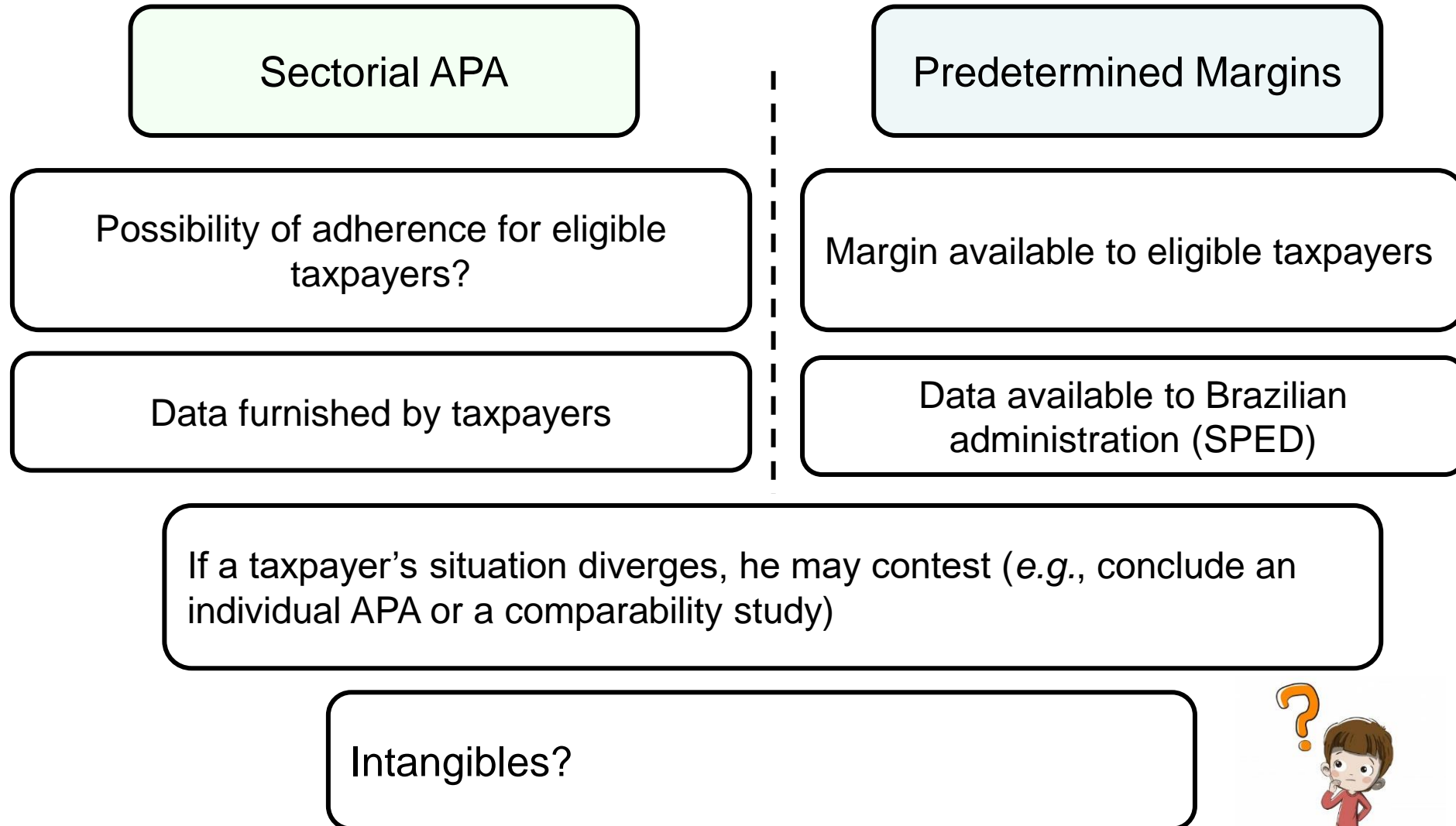
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“a framework for APAs can be designed to facilitate the smooth conclusion of **APAs for a given sector/industry** or specific types of more complex transactions”

What is the difference between a sectorial APA and the predetermined margins?

Sectorial APAs vs. Predetermined Margins



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