TP Annex Tutorial and FAQ

The information in the filled in the demonstration table is for illustration purposes and should not be used by taxpayers as it is.

Column	Demonstration	1	Details			
A:TIN	XII 📙 🤝	- 今 - =		Fill up your information in columns A		
B: Taxpayer Name	FILE HO	OME INSE	RT PAGE L	and B (taxpayer's/filer's information)		
	Cut	1				
	Paste Cop	y +	Calibri			
	→ S Form	nat Painter	B <i>I</i> <u>U</u> →			
	Clipboar	d G				
	A5	- ∃ ×	$\checkmark f_x$			
	Α	В	С			
	TIN	Taxpayer	Tax Period	Тах Туре	Name of rela	
		name	Year	Desc	person	
	4					
	6				Company A Ltc	
	7				Company A Ltc	
	8				Company B Inc	
	9				Company B Inc	
C: Tax Period Year	X H 5	- 0 - -				Column C: Enter the tax period the
D: Tax Type Desc	FILE H	OME IN	SERT PA	FC	related party transactions relate to in	
31	real → Cur				Column C; for instance 2019 or 2020.	
	□ □ Co		Calibri	-		
	Paste	mat Painter	В <i>I</i> <u>U</u>	- -	₹> -	Column D: Enter the tax type the
	Clipboa			related party transaction relates to; for		
				instance WHT, Corporation Tax, etc.		
	C5	_ : _ /	× .			
	A	В —	С	D		
	TIN	Taxpayei name	r Tax Peri	od Tax Ty Des		
		lianie	lear	Desi		
	4					
	6	5				
	U	1	_	_		

TP Annex Tutorial and FAQ

D							
Tax Type Desc	E Name of related person		F G Nature of Country of elationship tax residence		H Country of incorporation (where applicable)*	Column E: Enter the name of related person that transacted with the taxpayer/filer. Column F: Enter the nature of relationship of the related person to	
	Company A Ltd Company A Ltd Company B Inc	Parent com Parent com Subsidiary	npany npany	Mauritius Mauritius Mauritius Malta	South Africa South Africa South Africa	the taxpayer/filer. Column G: Enter the country of residence of the related party entered	
	Company B Inc Company B Inc Company C AB Company C AB Company D SARL	Subsidiary Sister comp Sister comp	oany	Malta Malta Sweden Sweden France		in column E. Column H: Enter the country of incorporation (or registration) of the related party entered in column E where applicable.	
incorporation (where	on (including trans		transa relat	actions from ted persons	K Aggregate value of transactions to related persons (Frw**)	Column I: Describe the related party transaction in Column I. Column J: Enter the total value of the transaction (described in Column I) from the related party. Column K: Enter the total value of	
South Africa South Africa South Africa	Management fee Transport service Guarantee	5	▼	250000000 300868901 2773892		the transaction (described in Column I) to the related party.	
	H Country o incorporatio (where applicable) South Africa South Africa	Company A Ltd Company A Ltd Company A Ltd Company B Inc Company B Inc Company C AB Company C AB Company C AB Company D SARL H Country of incorporation (where applicable)* South Africa Tangible Goods South Africa Management fee: Transport services	Company A Ltd Parent com Company A Ltd Parent com Company A Ltd Parent com Company B Inc Subsidiary Company B Inc Subsidiary Company B Inc Subsidiary Company C AB Sister comp Company C AB Sister comp Company D SARL Ultimate of Company D SARL Ultimate of Incorporation (where applicable)* South Africa Tangible Goods South Africa Technical services South Africa Management fees Transport services Guarantee Royalty	Company A Ltd Parent company Company A Ltd Parent company Company A Ltd Parent company Company B Inc Subsidiary Company B Inc Subsidiary Company C AB Sister company Company C AB Sister company Company D SARL Ultimate owner H Description of transactions (including transfers if any) where applicable)* South Africa Tangible Goods South Africa Technical services South Africa Management fees Transport services Guarantee Royalty	Company A Ltd Parent company Mauritius Company A Ltd Parent company Mauritius Company A Ltd Parent company Mauritius Company B Inc Subsidiary Malta Company B Inc Subsidiary Malta Company B Inc Subsidiary Malta Company C AB Sister company Sweden Company C AB Sister company Sweden Company D SARL Ultimate owner France H Description of transactions (including transfers if any) Kerre applicable)* South Africa Tangible Goods Tangible Goods South Africa Technical services 300868901 South Africa Management fees 2773892 Transport services Guarantee Royalty	Company A Ltd Parent company Mauritius South Africa Company A Ltd Parent company Mauritius South Africa Company A Ltd Parent company Mauritius South Africa Company B Inc Subsidiary Malta Company B Inc Subsidiary Malta Company B Inc Subsidiary Malta Company C AB Sister company Sweden Company C AB Sister company Sweden Company D SARL Ultimate owner France H	

TP Annex Tutorial and FAQ

Column	Demonstration				Details
L: Transfer Pricing	К	L	М	N	Column L: Enter information of any
Adjustment	Aggregate value of	Transfer pricing	Percentage (%) for	TP method***	transfer pricing (TP) adjustment done
M D (0/) S	transactions to	adjustment (if any)	which transfer		on the transaction described in
M: Percentage (%) for	related persons		pricing		Column I. TP adjustments relate to
which transfer pricing	(Frw**)		documentation		changes made in order to arrive at a
documentation has been			has been prepared		transfer price in accordance with the
prepared					arm's-length principle.
			•	CUP	
N: TP Method			-	TNMM	Column M: In relation to transaction
				CPLM	in Column I, enter the percentage of
				RPM	the total value for which transfer
				PSM	pricing documentation has been
			100	ОТН	1 0
					prepared.
					Column N: Enter the TP method
					applied on the transaction(s) described
					in Column I.

TP Annex Tutorial and FAQ

Column	Demonstration		Details	
O: Key Financial Items	0	Р	Q	Column O- Key Financial Items:
P: Rwanda Taxpayer Q: Holding Company (Consolidated) FRW	Key Financial Items	Rwanda Taxpayer	Holding Company (Consolidated) FRw	Enter the key financial items which include, but are not limited to: • Total assets, • Operating Assets, • Current Liabilities, • Long-term Liabilities
	Total Assets	100,000,000	35,000,000,000	Total Turnover,Gross Profit,
	Operating Assets	50,000,000	89,800,877	Oross Front,Operating Expenses,
	Total current Liabilities	27,000,000	37,000,000	Operating Expenses,Operating Profit (EBIT).
	Total turnover/sales	10,000,000,000	35,000,000,000	operating Front (EBIT).
	Gross profit	5,000,000,000	18,000,000,000	Columns P & Q: For the Key
	Total expenses	4,000,000,000	10,000,000,000	Financial Items entered in Column O,
	Operating expenses	10,000,000	2,300,000,000	enter the corresponding values for the
	Operating profit (EBIT)	1,000,000	200,000,000	filer (Rwanda Taxpayer) in Column
				P and for the holding or parent
				company (parent financial items) in
			1	Column Q.

Frequently Asked Questions:

Q1: Should the annex be filled with weekly, monthly, quarterly or annual transactions?

The annex should be filled annually showing the total value of each type of transaction purchased from or sold to the related party.

Q2: For the taxpayers who had not been filling the annex in prior years, will they be required to go back and amend/rectify the returns of those years and fill the annex?

It is recommended that taxpayers who have not been filling the annex in prior years should amend/rectify such returns and to fill the TP annex. It is also recommended that wrongly filled TP annexes for prior years be rectified.

TP Annex Tutorial and FAQ

Q3: What happens to TP annexes not filed for periods already audited by the Tax Administration and those that are beyond the legally prescribed period?

Taxpayers are not required to fill-up TP annexes and rectify tax returns for periods already audited by the Tax Administration and those that are beyond the legally prescribed period.

Q4: What information is to be filled in Column O of the TP Annex?

All Key Financial Items (from the Statement of Financial Position and the Income Statement) should be entered. They include but are not limited to:

- Total assets,
- Operating Assets,
- Current Liabilities.
- Long-term Liabilities
- Total Turnover,
- Gross Profit,
- Operating Expenses,
- Operating Profit (EBIT).

Q5: Before engaging our suppliers, should we first know the tax rate of their jurisdiction to determine whether or not they are in a beneficial tax regime?

In order to establish whether a supplier is resident or registered in a beneficial tax regime, it is advisable for all taxpayers to find out the tax rate of the jurisdictions their suppliers are domiciled.

Q6: Is the transfer pricing documentation submitted with the income tax return? When should I submit it?

The transfer pricing documentation is not submitted with the income tax return. The transfer pricing documentation should be submitted to the Tax Administration upon request. However, documentation for a relevant tax period must be in place before the deadline of income tax declaration.

Q7: When do we submit the Country by Country Report to RRA?

The Country by Country (CbC) report must be filed within twelve (12) months after the last day of the reporting fiscal year of the multinational enterprises group.

Q8: When should the group structure be submitted?

The documents related to the global organizational structure of the group of companies to which a Rwandan taxpayer belongs, indicating all related persons, their shareholding and their management structure, must be submitted to the tax administration with the first income tax declaration. In case of modification on documents related to the global organizational structure, the updated version must be submitted to the tax administration.