

Madagascar: Transfer pricing requirements

The Ministry of Economy and Finance issued a note on 1 June 2021 in respect of the Transfer Pricing (“TP”) requirements in Madagascar.

We would like to highlight the following important points issued in the above mentioned regulation:

- There is now an obligation to file Master Files and Local Files in Madagascar;
- The Local and Master files are largely based on the Organisation for Economic Co-operation and Development (“OECD”)’s recommendations;
- The requirement is applicable to any company undertaking cross-border transactions with related parties irrespective of the transactions’ amounts;
- The documents are to be submitted in French or, if presented in any other language, a certified document should be presented with the translation, together with the original documents;
- The TP documentation can be submitted electronically via the tax authority’s online platform or by submitting a hard copy to the department concerned;
- Documentation is required to be kept for a period of at least 10 years.

Specific guidance has been provided for the content of the Master File and Local File.

Master File: Group structure and general information

Local File: Specific information about description of local entity, controlled transactions, and financial information as well as certain other information

Submission deadlines

Year end	Deadline
31 December	15 th May of the following year
30 June	15 th November of the following year
Any other year end	15 th day of the 4 th month following the closing date of accounts

An extension has been granted till 31 October 2021 for companies with a 31 December 2020 year end.

How can we help?

KPMG can help you in meeting the reporting obligations in Madagascar. We can also provide assistance with the preparation of the Local and Master files for submission to the Malagasy authorities.

Contact Us

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This document is based on our interpretation of the current tax laws and international tax principles. These laws and principles are subject to change occasioned by future legislative amendments and court decisions. You are therefore cautioned to keep abreast of such developments and are most welcome to consult us for this purpose.

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