

## **Contents of Master File**

The Master File should provide an overview of the Company's group business. The objective is to explain the Company's transfer pricing (TP) policies in the context of its global economic, legal, financial and tax profile and the Master File should include a high-level overview of the Company, covering the following topics:

1. Group's organizational structure;
2. Description of the group's business, including:
  - a. Important factors for generating business profits;
  - b. A description of the process for provision of products or services to the other group entities for the five significant/largest transactions, depending on the revenue, in addition to products and services which exceeds 5% of the revenue of the Group;
  - c. A list and a brief description of the significant services agreements among group entities, other than research and development services, including a description of the capabilities of key sites that provide important services, and transfer pricing policies for allocating service costs and determining the prices paid for services within the group;
  - d. A description of the main geographical markets for the group's products and services referred to in the clause (b) above;
  - e. A brief functional analysis describing the major contributions to value creation from individual entities within the group (major functions undertaken, significant risks assumed, and significant assets used);
  - f. A description of significant transactions related to significant business restructuring, acquisitions and divestment that occurred during the fiscal year.
3. The group's intangible assets, including:
  - a. General description of the Group's overall strategy for developing, acquiring and exploiting intangible assets, including location of major R&D facilities/centers and location of R&D operating entities;
  - b. A list of the group's intangible assets or groups of intangible assets that are important for transfer pricing purposes and specifying the entities that legally own said assets;
  - c. A list of important agreements between associated entities related to intangible assets, including cost-contribution arrangements, major agreements on research services and licensing agreements;
  - d. A general description of the group's transfer pricing policies relating to research and development and intangible assets;
  - e. A general description of any significant changes to shares/ownership in intangible property between associated entities during the reported year, specifying the entities, countries, and relevant compensation.
4. The group's common financial activities, including:
  - a. A general description of the financing sources of the group, including significant financing arrangements with not associated lenders;



- b. Determine which members of the group provide a central function for financing the group, including the country in which these entities were established by virtue of its laws and the country in which the actual location of its management is located;
- c. General description of the transfer pricing policies followed by the Group with regards to financing arrangements/agreements between related entities.

5. The group's financial and tax centers, including:

- a. The annual consolidated financial statement of the group for the relevant financial year, if prepared for financial, regulatory, internal, tax reporting or other purposes;
- b. A list and brief description of the group's unilateral advance pricing agreements and other tax directives related to the income allocation between countries.

### ***Contents of Local File***

In contrast to the master file, which provides a high-level overview, the local file provides more detailed information relating to specific intercompany transactions. The information required in the local file supplements the master file and helps to meet the objective of assuring that the Company has complied with the arm's length principle in its material transfer pricing positions affecting a specific jurisdiction. The Local File should cover following topics:

1. Information about the resident related entity, which includes:

- a. Description of the resident entity's management structure, its organizational structure, and a description of the parties that report to them on the management of the resident entity and the countries in which those parties maintain their main offices;
- b. A detailed description of the business and the business strategy of the resident entity, including an explanation of whether the resident entity participated in, or was affected by, business restructuring processes or transfers of intangible assets in the current year or in the year immediately preceding it, and an explanation of aspects of those transactions that affected the resident entity;
- c. Information on major competitors.

2. Controlled transactions for each primary class of controlled transactions in which the entity participates and includes:

- a. Description of controlled transactions (such as the purchase or sale of services, manufacturing, purchase or sale of goods, lending and borrowing transactions, financial guarantees and performance guarantees, licenses for intangible assets, etc.) and the context in which these transactions take place;
- b. Amounts of payments and receipts within the group for each category of controlled transactions in which the resident entity participated (i.e. payments and receipts for products, services, royalties, interest, etc.), presented/detailed by countries of tax residence of the foreign payer or recipient;
- c. Identify the related entities involved in each category of the controlled transactions, and the relationship between them;
- d. Copies of all the main agreements entered into between the resident entity and other related entities;

- e. Detailed comparison and functional analysis of the resident entity and other related entities, related to each documented class of controlled transactions, including any changes compared to previous years;
- f. Determine the most appropriate transfer pricing method for any class of transactions and the reasons for choosing that method;
- g. Identification of the related entity chosen by the resident entity for the transaction and provide explanations and reasons of this choice;
- h. A summary of the important assumptions made in applying the transfer pricing methodology;
- i. Conducting a multi-year analysis subject to comparison and explaining its reasons;
- j. A list and description of the non-controlled transactions subject to the selected comparison (internal or external), if any, and information on the relevant financial indicators of the independent entities considered in the transfer pricing analysis, including a description of the comparisons search methodology and the source of that information;
- k. A description of any modifications made to the comparisons and an indication on whether the amendments were made to the party results, the controlled transactions subject to comparison, or both;
- l. Statement which proves that relevant transactions were priced on the basis of perfect competition based on the application of the transfer pricing method chosen;
- m. A summary of the financial information used in applying the chosen transfer pricing method;
- n. A copy of the advance pricing agreements, unilateral, bilateral or multi-sided and other tax directives in which the country is not a party, and which are related to the controlling transactions mentioned above.

### 3. Financial information, which includes:

- a. The annual financial statements of the resident entity for the concerned financial year and audited financial statements must be provided;
- b. The information and allocation tables explaining how the financial data used in applying transfer pricing is linked to the annual financial statements;
- c. Summary table of relevant financial statements related to the comparison, used in the analysis and the sources from which that data was obtained.

### ***Contents of a Transfer Pricing Declaration***

The Transfer Pricing Declaration is a statement of related party transactions entered by the Company during the year. The TP declaration shall be in accordance with the Qatar Executive Regulations to Income Tax Law No. 24 of 2018, and the requirements as set out in the Dhareeba portal. The objective of TP declaration is to ensure that the taxpayers report related party transactions while filing the income tax return and make suitable adjustments to the profits related to TP. The TP Declaration covers following topics:

- 1. General information about the group to which the resident related entity belongs, and includes:
  - a. A general description of the group's activity, including the changes that occurred during the financial year covered by the declaration



- b. A list of the major intangible assets related to the resident related entity, as well as the country or territory in which the other related entity that owns those assets resides
- c. A general description of the group's transfer pricing policy, including changes that occurred during the financial year covered by the declaration

2. Specific information about the reporting entity, including:

- a. A description of the activity undertaken by the reporting related entity, including changes that occurred during the year covered by the declaration
- b. A summary statement of the operations/transactions carried out between the resident related entity with other related entities, if the total amount, according to the type of transaction, exceeds QAR 200,000, detailing the nature and amount of the transaction, and specifying the countries or territories in which the other related entities are resident
- c. Presentation of the transfer pricing methods, detailing the main method used, and the changes that occurred during the year covered by the declaration.