

## Advisory on the Submission of BIR Form 1709

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<b>BIR REVENUE REGULATION NO. 34-2020 Guidelines for the Submission of BIR Form 1709, Transfer Pricing Documentation, and other Supporting Documents</b>	<b>3</b>

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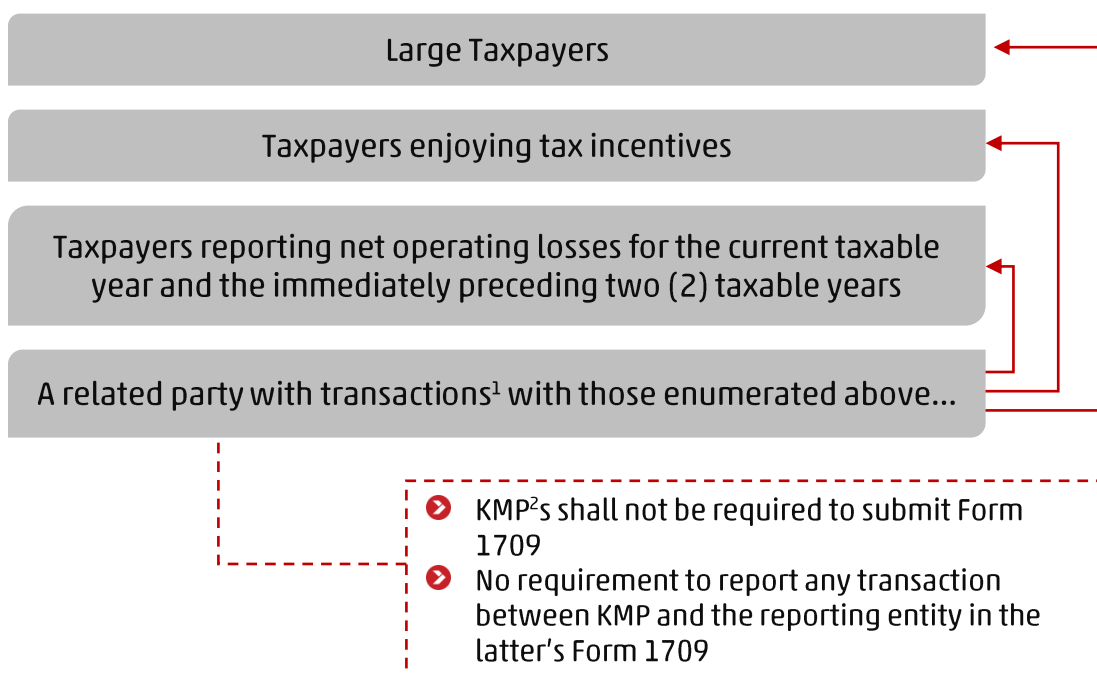
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**GUIDELINES FOR THE SUBMISSION OF BIR FORM 1709,**  
**TRANSFER PRICING DOCUMENTATION, AND**  
**OTHER SUPPORTING DOCUMENTS**

**Filing of BIR Form 1709**

Filing of BIR Form 1709 (with the Annual ITR), is required for the following:



For **short-period Annual ITRs** filed in 2021 and subsequent years, filing of Form 1709 is required regardless of the reason for filing of short period return.

<sup>1</sup> A **Related Party** is a person or entity that is related to the reporting entity, *i.e.* the entity that is preparing its financial statements (Section 3 of RR No. 19-2020)

<sup>2</sup> A **Key Management Personnel** is a person having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity (Section 3 of RR No. 19-2020)

## Submission of Transfer Pricing Documentation and other Supporting Documents

Submission of TPD is mandatory for taxpayers required to file Form 1709 who meet the following materiality thresholds:

Annual gross revenue  
exceeding P150,000,000.00

and

Total amount of related party  
transactions with foreign and  
domestic related parties  
exceeds P90,000,000.00

OR

Aggregate amount of related  
party transactions involving:

- Sale of tangible goods  
exceeding  
P60,000,000.00
- Service transaction,  
payment of interest,  
utilization of intangible  
goods, or other RPTs  
exceeding  
P15,000,000.00

Submission of TPD is also required if during the immediately preceding taxable period the above thresholds were exceeded.

### Period of Submission

The TPD and other supporting documents shall be submitted within thirty (30) calendar days upon receipt of a duly issued Letter of Authority covering all internal revenue taxes subject to a non-extendible period of thirty (30) calendar days based on meritorious grounds.

The TPD and other supporting documents **shall no longer be attached to Form 1709.**

## Additional Disclosure Requirement

Taxpayers not required to submit Form 1709 are required to disclose in the Notes to the Financial Statements that they are not covered by RR No. 34-2020.

## Simplified Form 1709

The simplified Form 1709 shall be used which has the following changes:

- Removed disclosures on transactions with Key Management Personnel
- Replaced disclosure of related party transactions based on category of relationship (*i.e.* parent, joint control or significant influence, subsidiaries, associates, and joint ventures) with that based on the kind of transaction (*i.e.* sale/purchase of goods and services, loans to/from, and other related party transactions)

## Penalties

Any violation shall be subject to the penalties in Sections 250, 266, and other relevant provisions of the 1997 NIRC, as amended.

*Source:*

*Revenue Regulation No. 34-2020*