The Australian Customs and Border Protection Service ("Customs") is proposing to amend Practice Statement PS2009/21: Applying for a Valuation Advice relating to Transfer Pricing and has released a draft version of the amended Practice Statement for public comment.

The draft Practice Statement proposes to tighten and clarify the rules surrounding applications for Valuation Advice ("VA") relating to Transfer Pricing arrangements. Whereas PS 2009/1 provides guidance to applicants in relation to the types of supporting documentation that may be included in an application, the proposed changes require that the prescribed supporting documentation must be provided by the applicant as part of the Transfer Pricing VA application. The list of prescribed supporting documentation has also been extended by Customs under the draft Practice Statement.

Where a Transfer Pricing VA application seeks to confirm that the Transaction Value method is the appropriate customs valuation methodology to be applied to transactions between related parties, the draft Practice Statement requires that the applicant must satisfy Customs that, among other things, the relationship between the related parties has not influenced the price of the imported goods based on the circumstances surrounding the sale or 'test values' tests.

Contact us

If you would like further advice or information in relation to the topic outlined above, please contact:

Gary Dutton
Principal
gary.dutton@au.pwc.com
+61 (07) 3257 8783