

Compliance for international transactions with Associated Enterprises

What is Form 3CEB?

A certificate issued by a Chartered Accountant certifying whether the international transactions entered into by a person with its Associated Enterprise (AE) are at Arm's Length Price (ALP) or not, by using the Most Appropriate Method (MAM).

Who should obtain Form 3CEB?

- Every enterprise who has entered into an international transaction with its Associated Enterprises during the financial year. Includes foreign companies as well.

What details are reported in Form 3CEB?

- Part A – Details of the enterprise along with the total international and specified domestic transactions
- Part B – Details of the international transactions, value of the ALP and the MAM used.
- Part C – Details of Specified Domestic Transactions, value of the ALP and the MAM used.

Detailed Transfer Pricing (TP) Documentation / TP Study Report to be maintained as per law.

Due Date – On or before October 30, 2020 for the FY 2019-20.

What happens if there is non-compliance?

- Failure to furnish Form 3CEB: INR 100,000 may be imposed.
- Failure to report a transaction: 2% of the value of each such transaction.
- Failure to keep and maintain or furnish information and document (TP Documentation / TP study report), Failure to report or furnishing inaccurate information- Penalty equivalent to 2% of the value of transaction may be imposed

HOW CAN WE HELP?

We analyze & advise on the applicability of transfer pricing regulations, benchmarking and adherence to the required compliance

For further enquiries, please feel free to contact Rajesh on +91 98453 48828 / +91 9632988828 or r.joseph@annveshan.com