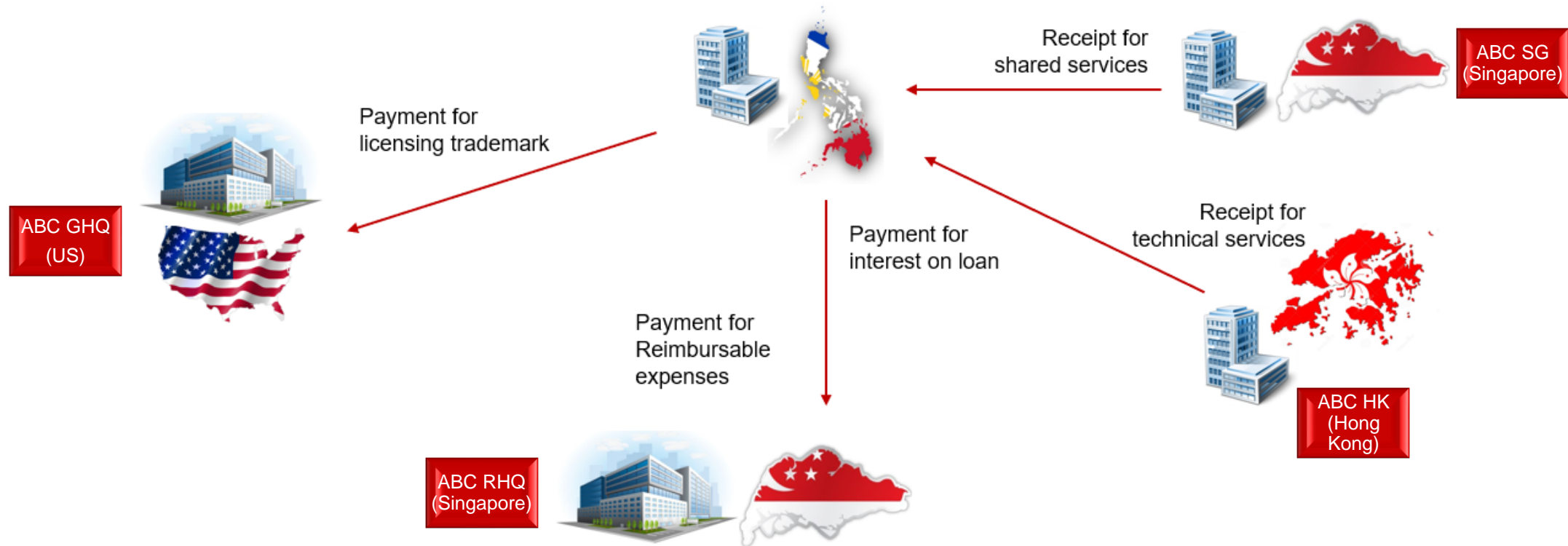


BIR Form No. 1709

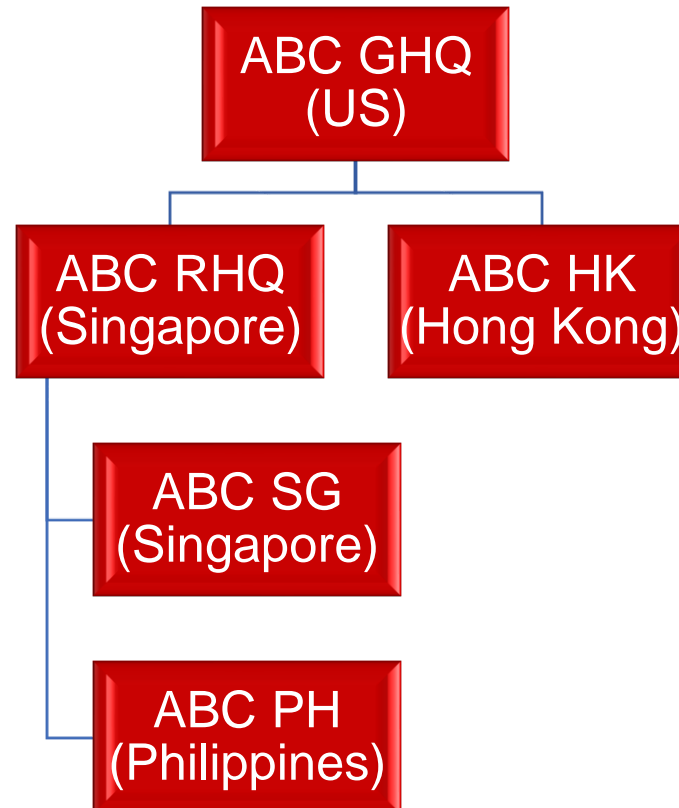
Filling-out the Transfer Pricing Disclosure Form



Client Name: ABC PH (Reporting Entity)




ABC PH Shareholding Structure




BIR Form No. 1709

Annex "A"

For BIR Use Only BCS/Item:


 Republic of the Philippines
 Department of Finance
 Bureau of Internal Revenue

BIR Form No. <h2 style="margin: 0;">1709</h2> February 2020 Page 1	<h3 style="margin: 0;">INFORMATION RETURN</h3> <h3 style="margin: 0;">ON TRANSACTIONS WITH RELATED PARTY</h3> <p style="margin: 0;">(INTERNATIONAL AND/OR DOMESTIC)</p> <p style="font-size: small; margin: 0;">Enter all required information in CAPITAL LETTERS using BLACK ink. Mark applicable boxes with an "X". Two copies must be filed with the BIR and one held by the Tax Filer.</p>	 1709 02/2020 P1
1 For the <input type="checkbox"/> Calendar <input type="checkbox"/> Fiscal		2 Year Ended (MM/YYYY)
		3 Number of Sheet/s Attached
Part I – Background Information		
4 Taxpayer Identification Number (TIN)		5 RDO Code
6 Taxpayer's Name (Last Name, First Name, Middle Name for Individual OR Registered Name for Non-Individual)		
7 Registered Address (Indicate complete address. If branch, indicate the branch address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905)		
		7A ZIP Code
8 Contact Number (Landline/Celphone No.)		9 Email Address



Would it suffice to just transpose the notes to AFS to the RPT Form without mentioning the names of the related party?

Part II – Summary of Related Party Transactions					
<i>(Fill out the table properly. Write N/A if not applicable and use additional sheet/s, if necessary)</i>					
A. Foreign Related Party Transactions					
Nature of Transaction / Related Account Name		Foreign Related Party		Address	
Licensing of trademark / Royalty		ABC GHQ		1 Apple Park Way in Cupertino, California, United States	
Interest on loan / Interest		ABC RHQ		300 Beach Road #03-00 The Concourse, Singapore	
Technical services / Revenue		ABC HK		Two Harbour Square, 18 Wai Yip St, Kwun Tong, Hong Kong	
See attached Annex A					
Taxpayer Identification Number	Availed of Treaty Benefits? Yes / No	Applicable Treaty Rate	Amount of Income/ Expense	Tax Withheld on Income Payments to Related Party (For Expenses)	Tax Withheld by the Related Party (For Receipts)
12345678910	<input checked="" type="checkbox"/> / <input type="checkbox"/>	15%	PHP 100,000	PHP 15,000	N/A
12345678911	<input checked="" type="checkbox"/> / <input type="checkbox"/>	10%	PHP 175,000	PHP 17,500	N/A
1234567892	<input type="checkbox"/> / <input checked="" type="checkbox"/>	N/A	PHP 5,000,000	N/A	N/A
See attached Annex A					
B. Domestic Related Party Transactions					
Nature of Transaction / Related Account Name		Domestic Related Party		Address	
N/A		N/A		N/A	
Taxpayer Identification Number	Amount of Income / Expense	Tax Withheld on Income Payments to Related Party (For Expenses)	Tax Withheld by the Related Party (For Receipts)		
N/A	N/A	N/A	N/A		

Since this is manually prepared, what if we have several related party transactions and the spaces provided are not enough?


For purposes of accomplishing the BIR Form no. 1709, should we require our foreign clients (RPT) to secure PH TIN?



Part III – Details of Related Party Transactions per Category <i>(Fill out the table properly. Write N/A if not applicable and use additional sheet/s, if necessary)</i>					
A. Details of Transactions with the Parent					
Name of Company		Address		Nature of Transaction	
ABC RHQ		300 Beach Road #03-00 The Concourse, Singapore		Interest on loan	
ABC RHQ		300 Beach Road #03-00 The Concourse, Singapore		Reimbursable expenses	
Amount / Volume	Outstanding Balance	Terms	Conditions	Provisions for Doubtful Debts*	Expense Recognized**
PHP 175,000	USD 100,000	1Y LIBOR + 1.5%	Penalties upon default	PHP 0	PHP 0
PHP 50,000	PHP 0	At Cost	Collectible on demand	PHP 0	PHP 0

What if the company obtained loans from the same related party but on different occasions, do I have to separately disclose those?

Under the terms, does it need to specifically disclose the mark-up applied?

BIR Form No. 1709 February 2020 Page 2		INFORMATION RETURN ON TRANSACTIONS WITH RELATED PARTY (INTERNATIONAL AND/OR DOMESTIC)				 1709 02/2020 P2	
Taxpayer Identification Number (TIN)			Taxpayer's Name				
B. Summary of Transactions with Entities with Joint Control or Significant Influence over the Entity							
Name of Company		Address			Nature of Transaction		
ABC GHQ		1 Apple Park Way in Cupertino, California, United States			Licensing of trademark		
Amount / Volume		Outstanding Balance	Terms	Conditions	Provisions for Doubtful Debts*	Expense Recognized**	
PHP 100,000		PHP 0	2% of 3 rd Party Revenue	Collectible on demand	PHP 0	PHP 0	
C. Summary of Transactions with Subsidiary/ies							
Name of Company		Address			Nature of Transaction		
N/A		N/A			N/A		
Amount / Volume		Outstanding Balance	Terms	Conditions	Provisions for Doubtful Debts*	Expense Recognized**	
N/A		N/A	N/A	N/A	N/A	N/A	





D. Summary of Transactions with Associates					
Name of Company		Address			Nature of Transaction
N/A		N/A			N/A
Amount / Volume	Outstanding Balance	Terms	Conditions	Provisions for Doubtful Debts*	Expense Recognized**
N/A	N/A	N/A	N/A	N/A	N/A



E. Summary of Transactions with Joint Ventures in which the Entity is a Joint Venturer					
Name of Company		Address			Nature of Transaction
N/A		N/A			N/A
Amount / Volume	Outstanding Balance	Terms	Conditions	Provisions for Doubtful Debts*	Expense Recognized**
N/A	N/A	N/A	N/A	N/A	N/A







F. Summary of Transactions with the Key Management Personnel of the Entity or its Parent				
Name of Personnel		Address		Short-term Employee Benefits
Mr. JKF Cooper		1634 McKinley Parkway, Taguig, Metro Manila, Philippines		PHP 2,500,000
Post-employment Benefits	Other Long-term Benefits	Termination Benefits	Share-based Payments	Others
PHP 0	PHP 0	PHP 0	PHP 1,000,000	N/A

Would data privacy not apply in disclosing the names and other information of Management employees?



G. Summary of Transactions with Other Related Parties					
Name of Company		Address / Place of Residence		Nature of Transaction	
ABC HK		Two Harbour Square, 18 Wai Yip St, Kwun Tong, Hong Kong		Provision of technical services	
ABC SG		301 Beach Road #03-00 The Concourse, Singapore		Provision of shared services	
Amount / Volume	Outstanding Balance	Terms	Conditions	Provisions for Doubtful Debts*	Expense Recognized**
PHP 5,000,000	PHP 0	Total cost + mark-up (10%)	Collectible on demand	PHP 0	PHP 0
PHP 2,000,000	PHP 0	Total cost + mark-up (5%)	Collectible on demand	PHP 0	PHP 0
Additional Disclosures for Outstanding Balances:					
*Provisions for doubtful debts related to the amount of outstanding balances					
**The expense recognized during the period in respect of bad or doubtful debts due from related parties					

In filling out the new BIR Form 1709, where would you classify a foreign supplier (in Part III) who is a subsidiary of a foreign shareholder of the reporting entity?

Part IV – Other Information	
	A. Brief business overview of the ultimate parent company ABC GHQ is an international company, headquartered in the United States, providing consultancy, planning, architectural design, and engineering and management services for infrastructure, water, environment and buildings.
	B. Brief business overview/functional profile of the taxpayer ABC PH is a domestic company, based in the Philippines, providing engineering design, consultancy, and administrative services. ABC PH is a service provider.
	C. Has there been any change in the functional profile of the taxpayer? If yes, please provide details. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N/A
	D. Has there been any change in the ownership structure of the taxpayer? If yes, please provide details. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N/A

	<p>E. Did the taxpayer undergo business restructuring during the year or the last five (5) years? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please provide details.</p> <div style="border: 1px solid black; padding: 2px; min-height: 20px;">N/A</div>						
	<p>F. Do you have pending Tax Treaty Relief Application with the BIR or with the tax authority of other <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please provide details.</p> <div style="border: 1px solid black; padding: 2px; min-height: 20px;">N/A</div>						
	<p>G. Do you have an Advance Pricing Agreement (APA) with your related parties? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please attach copy of the APA.</p>						
<p><small>I/We declare under the penalties of perjury that this return has been made in good faith, verified by me/us, and to the best of my/our knowledge and belief, is true and correct, pursuant to the provisions of the National Revenue Code, as amended, and the regulations issued under the authority thereof. Further, I/we give my/our consent to the processing of my/our information as contemplated under Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, for legitimate and lawful purposes. (If authorized representative, please attach an authorization letter.)</small></p>							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border: 1px solid black; height: 40px;"></td> <td style="width: 50%; border: 1px solid black; height: 40px;"></td> </tr> <tr> <td style="font-size: 8px; text-align: center;">Signature over printed name of Taxpayer/President/ Principal Officer/ Authorized Representative</td> <td style="font-size: 8px; text-align: center;">Signature over printed name of Treasurer/ Assistant Treasurer</td> </tr> <tr> <td style="font-size: 8px;">Title of Signatory/TIN</td> <td style="font-size: 8px;">Title of Signatory/TIN</td> </tr> </table>				Signature over printed name of Taxpayer/President/ Principal Officer/ Authorized Representative	Signature over printed name of Treasurer/ Assistant Treasurer	Title of Signatory/TIN	Title of Signatory/TIN
Signature over printed name of Taxpayer/President/ Principal Officer/ Authorized Representative	Signature over printed name of Treasurer/ Assistant Treasurer						
Title of Signatory/TIN	Title of Signatory/TIN						
<p><i>Stamp of receiving Office Date of Receipt RO's Signature</i></p>							

The required signatory for 1709 is President and Treasurer, does it matter that our Controller is the ITR signatory?

THANK YOU

