



WHAT'S NEWS... WHAT'S NEWS... WHAT'S NEWS... WHAT'S NEWS... WHAT'S NEWS... WHAT'S NEWS

TAX ADMINISTRATION JAMAICA - Transfer Pricing Provisions

The Arm's Length Principle (ALP), which is the foundation of internationally accepted transfer pricing rules, was introduced in the Income Tax Act in 1970 as section 17. The effect of the 2015 Income Tax amendments were to provide a degree of clarity and certainty to taxpayers on the acceptable methods of determining the transfer price based on the Arm's Length Principle, provide greater details on the documentation requirements, and align our transfer pricing rules with international best practice. The 2015 amendments to the Income Tax Act will also remove any subjectivity in the administration of transfer pricing rules.

Taxpayers have always had the obligation to account for connected party transactions on an arm's length basis. However the initial burden was placed on the Commissioner General to determine whether or not the transactions were in accordance with the Arm's Length Principle.

The 2015 amendments to the Income Tax Act now provides for the taxpayer in declaring his business activities for the year to inform the Commissioner General of the bases used to arrive at the declared transfer prices. This is in keeping with the self-assessment system where the taxpayer would be privy to all the terms and conditions governing their business transactions.

Cabinet had approved the introduction of Transfer Pricing Rules in 2011. The Bill was subsequently tabled by the Minister of Finance Peter Phillips on the 5th of May 2015, and was debated and passed in November, incorporating suggested amendments by external stakeholders...**TO READ MORE OPEN THE LINK:** [tax-administration-jamaica-transfer-pricing-provisions](#)

NOTIFICATION FROM JCC MEMBER FIRM - KPMG

Is Jamaica ready for transfer pricing rules?

In May 2015 the new transfer pricing provisions of the Income Tax Act were tabled in the Lower House of Parliament. Some seven months later, those provisions are now part of the tax laws of Jamaica, and they have an effective date of January 1, 2015.

KPMG has prepared two Bulletins in their series on Transfer Pricing, which focuses on the implementation of the new tax measures and addresses some of the lingering questions about the impact of the recently implemented provisions under the law and how it will affect taxpayers.

To read more on *Transfer Pricing - Part I: Legislation Tabled* - OPEN THIS LINK: [kpmg-transfer-pricing-part-1-may-12](#)

To read more on *Transfer Pricing - Part II: Implementation for Year of Assessment 2015* - OPEN THIS LINK: [kpmg-transfer-pricing-part-ii-dec-2015](#)



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NOTIFICATION FROM JCC MEMBER FIRM - PwC

Jamaica implements New Transfer Pricing Regime

PricewaterhouseCoopers (PwC) Jamaica – Tax Services is pleased to share with you a Tax Alert concerning the implementation of the new comprehensive transfer pricing regime in Jamaica.

The Jamaican Parliament has now passed the Income Tax (Transfer Pricing Documentation) Regulations 2015 which, together with the recently passed Income Tax (Amendment) (No. 2) Act 2015, give effect to this new transfer pricing regime. The new regime will have far-reaching income tax implications (including new reporting obligations) for all taxpayers who engage in transactions with related parties.

Businesses with gross annual revenues of J\$500m or more will be required to comply with extensive OECD -standard transfer pricing documentation requirements...**TO READ MORE OPEN THE LINK:** pwc-jamaica-implements-new-transfer-pricing-regime

Rajoo calls for Caribbean uptake of Model Law

The Mona Law Institutes' Unit of the Faculty of Law recently hosted a Public Lecture entitled '**The Caribbean Arbitration Landscape: Progress and Prospects**' on November 9, 2015, with Guest Speaker Datuk Professor Sundra Rajoo, Director of the Kuala Lumpur Regional Centre for Arbitration (KLRCA). Following is an article entitled "Rajoo calls for Caribbean uptake of Model Law" which has been extracted from the Global Arbitration Review (GAR). The GAR is the leading such review in the world:

*In a speech in the Jamaican capital of Kingston, **Sundra Rajoo**, director of the Kuala Lumpur Regional Centre for Arbitration and president elect of the Chartered Institute of Arbitrators, reflected on the varied Caribbean arbitration landscape and advised countries in the region to sign the UNCITRAL Model Law.*

Rajoo told an audience at the Mona Law Institutes of the University of the West Indies that there have been "a plethora of ambitious projects" to reform the Caribbean's arbitral infrastructure, focused on both legislation and institutions...However, he said "much remains [...] to be accomplished before the envisioned transformation of the Caribbean arbitration landscape". In many of the 15 countries that comprise the Caribbean Community and Common Market (CARICOM), fundamental law reforms are needed. In the Bahamas, Belize, Guyana and Jamaica, arbitration law is still based on the English Arbitration Act 1889, which has long been replaced in England.

*Other countries, like Barbados and, more recently, the British Virgins Islands have promulgated the UNCITRAL Model Law and offer up-to-date arbitration regimes, he said...**OPEN LINK TO READ MORE:*** rajoo-calls-for-caribbean-uptake-of-model-law



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REMINDER!

Getting your tax questions answered

Notifications were sent out previously to our member companies advising that the JCC Secretariat has arranged a meeting with Commissioner-General Ainsley Powell of Tax Administration Jamaica (TAJ) and his team of tax specialists to address key tax issues that member companies may be experiencing and would like addressed by TAJ.

The meeting will be held on **Wednesday, January 13, from 1:00 p.m. - 4:00 p.m. at the New Kingston Conference Centre.**

Commissioner-General Powell requested that we compile such questions ahead of time so that he and his team may come prepared to provide thorough and comprehensive responses - especially where they may need to research any of the issues raised.

We urge the membership of the JCC to make the most of this opportunity. Tax matters have been among the subjects most often raised as members' issues, and it is vital that we articulate those issues and concerns that we have.

If you have not done so already, we urge you to formulate and forward any questions that you would like addressed to the CEO at ceo@jamaicachamber.org.jm by no later than **December 20, 2015**. We will document and forward these to the Commissioner General and his team by December 23.

We look forward to receiving your queries and to hosting a very productive exchange with the TAJ head on January 13, 2016.

◆ **4th Quarter Business & Consumer Confidence Indices Release - Tues. January 19, 2016. Venue to be advised.**

Save the date!

For more information on upcoming JCC events please contact:



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