



30th April

15 days to go....



Transfer Pricing Compliance

Part 1 - Controlled Transaction Disclosure Form and Affidavit

The Controlled Transaction Disclosure Form (CTDF) is the first step of the Transfer Pricing compliance in KSA, requiring mandatory disclosure of all controlled transactions and details of all such related parties along with the tax return as per *Article 17 of the KSA TP Bylaws*.



No Minimum Threshold

Applies to **all taxable persons** engaging in any transaction with related parties in the financial year.



First Audit Touchpoint

Serves as the first document assessed by ZATCA for audits and forms the **basis of risk assessment and case selection**.



120-day Filing Window

The CTDF must be filed along with the tax return of the entity **within 120 days from the end of the financial year** i.e., April 30.



Mandatory Auditor Affidavit

A local auditor affidavit in Arabic is required to certify the accuracy and consistency of the TP policy and disclosures.

Why it Matters?



Summarizes all controlled transactions and the applied TP method.



Discloses applicability of the Local File, Master File and the CbCR.



Acts as the first-level filter for ZATCA's assessment and audits.



Certifies the accuracy of the disclosure through the local auditors affidavit.

What Can Go Wrong?



Incorrect selection of the most appropriate TP method.



Disparities and non-alignment with the TP Local File



No pre-filing adjustments leading to potential audits.



Incomplete or missing local auditor affidavit.

What to do now



Method must align with the benchmarking analysis



True-up required before filing



Downward Adjustment= High Scrutiny



Failure to comply may attract penalty along side high scrutiny

➤ How SBC can help

- SBC supports KSA taxpayers in ensuring accurate CTDF disclosures aligned with TP documentation, minimizing audit risks and ensuring regulatory compliance. We assist in method selection, benchmarking alignment, and pre-filing adjustments to strengthen defensibility before ZATCA review.