

2026 Transfer Pricing Compliance Checklist

Action 13 Documentation • Operational TP Controls • Amount B • Pillar Two • Audit Readiness

A practical, end-to-end transfer pricing compliance checklist for 2026. Use it to map every intercompany flow, assign owners, set your compliance calendar, and build an evidence trail you can produce on demand.

How to use this checklist

- Share with tax, finance, and legal teams
- Populate the transaction inventory and assign owners
- Set your compliance calendar with monthly, quarterly, and annual milestones
- Track evidence and keep documentation aligned all year

What's covered

1. Scope, governance, and 2026 calendar
2. Action 13 documentation (MF, LF, CbCR)
3. Operational TP monitoring and true-ups
4. Amount B scoping and Pillar Two alignment
5. Audit readiness and defense file

Key 2026 Dates

Jun 30, 2026	First GIR deadline for many calendar-year groups (FY 2024 filings)
Dec 31, 2026	CbCR filings due within 12 months of FY 2025 year-end (confirm local deadlines)

Quick-Reference Summary

Workstream	Key Action	Owner	Cadence	Key Evidence
Transaction inventory	Map all intercompany flows by type, entity, jurisdiction	Tax / TP team	Annual + mid-year review	Transaction matrix, ICA register
Master File	Update for restructurings, DEMPE changes, financing shifts	Tax / TP team	Evergreen (annual sign-off)	Version-controlled MF document
Local File	Refresh narrative + benchmarking per transaction	Tax / TP team	Annual per entity	Functional analysis, benchmark workpapers
CbCR	Three-way tie-out, validate OECD common errors	Tax + Finance	Annual, pre-filing	Reconciliation workpapers
OTP monitoring	Compare actual margins to arm's-length targets	Finance / FP&A;	Monthly / quarterly	Margin reports, variance logs
Amount B	Run OECD Pricing Automation Tool for qualifying distributors	Tax / TP team	Annual	Tool output, scoping memo
Pillar Two	Map CbCR data to GIR; confirm safe harbor eligibility	Tax + Finance	H1 2026	GIR data package, safe harbor test
Defense file	Maintain indexed, version-controlled data room	Tax / TP team	Ongoing	Contracts, reconciliations, method memos

Scope and governance

■ Build and maintain a controlled transaction inventory (by entity, transaction type, jurisdiction, volume, pricing method, ICA)

Owner: Tax / TP team | **Cadence:** Annual + mid-year trigger review

Evidence: Transaction matrix, ICA register

Tier transactions by risk: Tier 1 (full documentation), Tier 2 (simplified), Tier 3 (monitor only). Germany mandated a transaction matrix effective Jan 1, 2025.

■ Keep a change log (reorgs, IP moves, new services, financing changes)

Owner: Tax + Legal | **Cadence:** Ongoing

Evidence: One-page change log

Link each change to impacted entities, transactions, and document sections that require updating.

■ Assign RACI roles and set four approval gates (new transaction / pricing change / year-end adjustment / ICA renewal)

Owner: Tax + Finance + Legal | **Cadence:** Annual review

Evidence: RACI matrix, approval-gate documentation

Gates: (1) new transaction sign-off, (2) pricing-change review, (3) year-end adjustment joint sign-off, (4) ICA renewal review.

■ Set a 2026 compliance calendar: monthly posting, quarterly formal review, year-end true-up, documentation refresh

Owner: Tax + Finance | **Cadence:** Ongoing

Evidence: Calendar, meeting cadence, task owners

Monthly: post ICP transactions + run margin dashboards. Quarterly: formal margin review + ICA tracker. Year-end: true-up + doc refresh.

Master File

■ Update group value-chain narrative and key assumptions

Owner: Tax / TP team | **Cadence:** Evergreen (annual sign-off, or when facts change)

Evidence: Version-controlled MF document, approval record

Triggers: restructurings, DEMPE changes, financing shifts, new TP policies. Add a 'what changed this year' summary.

■ Review DEMPE mapping for intangibles

Owner: Tax / TP team | **Cadence:** Annual or on transfer/shift

Evidence: DEMPE analysis, functional-analysis evidence

Primary audit focus for most tax authorities.

Local File

■ Refresh local narratives per transaction: business context, functional analysis, method selection, benchmarking result

Owner: Tax / TP team + local controllers | **Cadence:** Annual per entity

Evidence: Local File modules, appendices, benchmark workpapers

Prioritize material and high-risk transactions. Each transaction should read as a self-contained story. Avoid checklist-only functional analysis (IRS FAQ).

Benchmarking

■ Decide which studies need a full refresh vs. monitoring; update financial data annually

Owner: Tax / TP team | **Cadence:** Full refresh every 3 years; annual financial update

Evidence: Benchmark refresh memo

Triggers for earlier refresh: material business-model change, economic disruption, comparable-set changes. Document screening rationale.

CbCR

■ Run three-way tie-out: CbCR vs. Local File vs. Master File (revenue, PBT, headcount)

Owner: Tax + Finance | **Cadence:** Annual (pre-filing)

Evidence: Reconciliation workpapers, variance explanations

Check the OECD 28 common CbCR errors list (May 2025 update). Key errors: misallocated employees, inconsistent revenue recognition, rounded figures.

■ Validate revenue classification, employee allocation, and entity completeness (Table 2)

Owner: Tax + Finance | **Cadence:** Annual (pre-filing)

Evidence: CbCR validation checklist

Unrelated + related party revenue must equal total. Employees should reflect where people actually work, not just contract location.

■ Cross-reference OECD TP Country Profiles for jurisdictions in scope

Owner: Tax / TP team | **Cadence:** After each OECD update (last: Jan 22, 2026)

Evidence: Jurisdiction scan notes

Jan 2026 updates: Bosnia and Herzegovina, Brazil, Costa Rica, Croatia, Greece, Iceland, Korea, Norway.

OTP monitoring

■ Compare actual margins to arm's-length targets (operating margin for LRDs, cost mark-ups for service providers)

Owner: Finance / FP&A; | **Cadence:** Monthly dashboards, quarterly formal review

Evidence: Margin reports, variance logs, exceptions log

Set thresholds (e.g., +/- 2% from median target). Q3/Q4 previews reduce year-end true-up size.

OTP true-ups

- **Calculate year-end adjustments before close; book symmetrically in both entities; issue debit/credit notes aligned to ICAs**

Owner: Tax + Finance + Accounting | **Cadence:** Annual design + year-end run

Evidence: True-up policy, journals, invoices, debit/credit notes

Consider VAT (may require return corrections) and customs (upward adjustments increase transaction value). Large late adjustments can disrupt Pillar Two safe harbor.

OTP evidence

- **Standardize evidence capture all year for services, IP/royalties, financing/guarantees, tangible goods, restructurings**

Owner: Tax + Legal + Finance | **Cadence:** Ongoing

Evidence: Evidence folder taxonomy, templates, signed agreements

Services: benefit test + deliverables. IP: DEMPE + royalty schedules. Financing: credit analysis + signed loan agreement before funds transfer. Restructurings: before/after FAR + valuation.

Amount B

- **Run a scoping pass for qualifying baseline distribution activities (tangible goods only)**

Owner: Tax / TP team | **Cadence:** Annual

Evidence: Scope memo, data-inputs checklist

Excludes non-tangible goods, services, commodities. Qualification depends on OpEx/net-sales ratio. Adoption is jurisdiction-specific — do not assume universal application.

- **Download and run the 2026 OECD Pricing Automation Tool (Feb 17, 2026 update); gather 3 years of financial data**

Owner: Tax / TP team | **Cadence:** Annual (new tool version Feb 2026)

Evidence: Tool output, input workpapers

Inputs: industry classification, net revenue, COGS, OpEx, fixed assets, working capital. 2026 update incorporates current sovereign credit ratings.

- **Monitor counterparty jurisdiction adoption status**

Owner: Tax / TP team | **Cadence:** Ongoing

Evidence: Jurisdiction adoption tracker

US: Notice 2025-04 signals intent. Singapore: IRAS TPG8 pilot for 2026-2028. Applying Amount B without mirrored adoption risks double taxation.

Pillar Two alignment

■ **Map CbCR data to GIR requirements; confirm Transitional CbCR Safe Harbor eligibility (Simplified ETR threshold: 17% for FY 2026)**

Owner: Tax + Finance | **Cadence:** H1 2026 (GIR due Jun 30, 2026)

Evidence: GIR data package, safe-harbor test workpapers

'Once out, always out' rule: failing to qualify/elect in 2026 locks out that jurisdiction for 2027. Permanent Simplified ETR Safe Harbor (15%) expected from FY 2027.

■ **Ensure post-close TP true-ups flow into Qualified Financial Statements before GloBE calculations**

Owner: Tax + Finance | **Cadence:** Year-end close

Evidence: Reconciliation between TP adjustments and QFS

True-ups not reflected in QFS can distort GloBE calculations and disqualify from safe harbor.

Audit readiness

■ **Build and maintain a defense file: reconciliations, contracts, method memos, benchmark workpapers, functional-analysis evidence**

Owner: Tax / TP team + Legal | **Cadence:** Ongoing

Evidence: Defense file index, data room checklist

Indexed, version-controlled. Include: segmented P&L; tie-outs to tax returns/CbCR/statutory financials; executed ICAs with amendments; accept/reject matrices; org charts and process maps.

■ **Run a 30-day production drill: can you compile signed ICAs, benchmark workpapers, CbCR data, and finalized Local File within 30 days?**

Owner: Tax / TP team | **Cadence:** Annual (or pre-audit)

Evidence: Drill report, gap list

US penalty protection (Treas. Reg. §1.6662-6): contemporaneous documentation must exist by return filing date. 30-day IRS production window — missing it voids penalty protection.

■ **Check for common audit pitfalls: inconsistent narratives across MF/LF/CbCR; checklist-only functional analysis; missing substantive evidence; CbCR data inconsistencies**

Owner: Tax / TP team | **Cadence:** Annual (health check)

Evidence: Audit-readiness assessment

Red flags: consistent losses in high-tax jurisdictions; large unexplained true-ups; high-value royalties/fees to low-tax jurisdictions; rapid function-stripping restructurings.

■ Evaluate need for MAP, APA, or ICAP for high-risk transactions or multi-country disputes

Owner: Tax / TP team + Legal + external advisors | **Cadence:** As needed

Evidence: Evaluation memo

MAP: reactive (double taxation). APA: proactive (3-5 year binding agreement). ICAP: multi-jurisdiction risk assessment and early tax certainty.

Take the Next Step

Stop scrambling for 2026 transfer pricing compliance. Use this checklist to operationalize Action 13 documentation, OTP monitoring, Amount B scoping, and Pillar Two data readiness.

Book a call: cal.com/christian-schoppe-tpx-tax/flexible-appointment

Website: tpx-tax.com

This checklist is provided as general information for transfer pricing professionals. It is not tax, legal, or accounting advice. Consult qualified advisors for your specific situation. Sources include OECD Transfer Pricing Guidelines, OECD BEPS Action 13 reports, and applicable local regulations.