**Annotation to fill in the annual report for companies or juristic partnerships that have relationships in accordance with Section 71 Bis of the Code.**

(The Disclosure Form)

To persons responsible for submitting the Disclosure Form.

Companies or juristic partnerships having the following characteristics shall be responsible for submitting the Disclosure Form.

(a) Companies or juristic persons that **have relationships** under Section 71 bis, paragraph two of the Revenue Code (See examples in the annex):

(i) Companies or juristic partnerships, that hold shares of, or is a partner of another juristic person, holding not less than fifty percent (50%) of total equity, directly or indirectly;

(ii) There are shareholders or partners, who directly or indirectly holds shares, or is a partner of a juristic person with not less than fifty percent (50%) of the total equity, who also directly or indirectly holds shares, or is a partner of another juristic person with no less than fifty percent (50%) of the total equity; or,

(iii) Juristic persons with relationships with each other in respect of capital, management, or control in a description that a juristic person may not operate business independently from another juristic person as prescribed in Ministerial Regulations; **and,**

(b) If the person who is responsible for submitting the Disclosure Form has total income of not less than **200 million Baht** in the accounting period, presented in the financial statements, submitted with the income tax return (Por Ngor Dor 50) by a company or juristic partnership.

Notes: (1) Number of shares held shall be considered by not classifying stock types.

(2) Consider the number of indirect shares according to shareholding proportion.)

Annotation to fill out the report

|  |  |  |
| --- | --- | --- |
| Annual Disclosure Form for Companies or Juristic Partnerships with Related Parties  per Section 71 bis of the Revenue Code  (Disclosure Form) | | |
|  | | |
| Company or Juristic Partnership | | Accounting Period |
| **Tax identification number** -----  (*Please use juristic person number issued by the Department of Business Development or the Revenue Department*) | | From day Month Year  Until day Month Year |
| **Name**……………………………………….…………………………  *(Clearly specify Company Limited, Public Company Limited, Limited Partnership, etc.)* | |
| Functional Currency | | |
| □ Baht | □ Other, please specify………………………………………… (Notified or approved by the Director -General according to Section 76 ter of the Revenue Code)  Currency Code  | |

1. Fill out the taxpayer identification number of the person who submitted the Disclosure Form. Use the corporate registration number issued by the Department of Business Development, or a taxpayer ID issued by the Revenue Department Indicate the name of the person submitting the report form as well.

2. Specify the start date and the last date of the accounting period of the person submitting the Disclosure Form for the relevant accounting period. This must correspond to the same accounting period of PND 50 (corporate income tax form).

3. Specify the currency of the Disclosure Form. Generally, specify the currency in "Baht", unless the person submitting the report form has notified the Director-General of the Revenue Department for using a currency other than the Thai currency, in accordance with Section 76 ter of the Revenue Code. Specify "Other" in such case, as well as the other currency used and its currency code.

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| --- | --- | --- | --- | --- | --- |
| Part A | | | | | |
| Section 1. | Related companies or juristic partnerships operating in Thailand | | No. of entities\_ Attachments \_\_ page(s) | | |
| No. | Name of related company or juristic partnership | Tax identification number | | Has transactions with the taxpayer | |
| 1 |  | ----- | |  No |  Yes (Please fill in Part B Section 1) |
| 2 |  | ----- | |  No |  Yes (Please fill in Part B Section 1) |
| 3 |  | ----- | |  No |  Yes (Please fill in Part B Section 1) |

4. In Section A, Item 1, the person submitting the Disclosure Form shall fill out information about companies or juristic partnerships that operate in Thailand under Section 66 and Section 76 bis of the Revenue Code, which are a company or a juristic partnership that is related to the person submitting this Disclosure Form.

5. Specify the number of companies or juristic partnerships that qualify as related party companies or juristic partnerships which are operating in Thailand with the person submitting the Disclosure Form. Include the number of persons appearing in Part A, Section 1, as well as those in the Attachment to Part A, Section 1 of this Disclosure Form.

6. Specify the number of Attachments for Part A, Section 1 of this Disclosure Form.

7. Specify the names of the companies or juristic partnerships, which have business operations in Thailand, which are related to the filer of this Disclosure Form.

8. Indicate the taxpayer identification numbers of the companies or juristic partnerships, which are corporations or juristic partnerships having business operations in Thailand, which are related to the filer of this Disclosure Form.

9. Indicate whether the related company or related juristic partnership, having operations in Thailand, had transactions with the person filing this Disclosure Form. Was the transaction with the reporting person? (If any company or juristic partnership had transactions with the person filing this Disclosure Form, complete the information in Part B, Section 1 which is on the next page 2.)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Part A | | | | | |
| Section 2. | Related companies or juristic partnerships not operating in Thailand | | | No. of entities\_ Attachments \_\_ page(s) | |
| No. | Name of related company or juristic partnership | Country of Incorporation | Has transactions with the taxpayer | | |
| 1 |  |  |  No | |  Yes  (Complete Part B Section 2) |
| 2 |  |  |  No | |  Yes  (Complete Part B Section 2) |
| 3 |  |  |  No | |  Yes  (Complete Part B Section 2) |
|  |  |  |  | |  |

10. In Part A, Section 2, the person submitting the report form should fill out information about companies or juristic partnerships that do not operate in Thailand under Section 66 and Section 76 bis of the Revenue Code, which are companies or juristic partnerships that are related to the person filing the form.

11. Specify the number of companies or juristic partnerships that do not operate in Thailand, which would be defined as companies or juristic partnerships that have a relationship with the person submitting this form. Include those presented in Part A, Section 2 in Attachment, Part A, Section 2 as well.

12. Specify the number of attached documents (pages) for Part A, Section 2 of the Report Form.

13. Indicate names of companies or juristic partnerships, which do not operate in Thailand, that have a relationship with the person submitting this Disclosure Form.

14. Identify the country in which the corporation or juristic partnership was established (Place of incorporation), that does not operate in Thailand, which are related to the person submitting this Disclosure Form.

15. Disclose whether any of the companies or juristic partnerships, which do not operate in Thailand, had transactions with the person submitting this Disclosure Form. (If any company or juristic partnership had a transaction with the person submitting the form, complete the information in Part B, Section 2, on page 2, which follows this page.)

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| Part B | | | | | | | | | | | | |
|  | | | | | | | | | | | | |
| Section 1. | Details of controlled transactions with related companies or juristic partnerships operating in Thailand | | | | | | | No. of entities\_\_\_\_\_Attachments \_\_\_\_\_page(s) (Currency…….) | | | | |
| No. | (1)  Name of related company or juristic partnership | (2)  Main revenue derived from business operations | (3)  Other income | (4)  Purchase of raw materials/ goods | (5)  Purchase of land, buildings and equipment | (6)  Other expenses | | | | | (7)  Amount of borrowed money at the last day of the accounting period | (8)  Amount of lent money  as at the last day of the accounting period |
| (6.1)  Royalty fees | (6.2)  Management/  technical/ commission fees | | (6.3)  Interest | (6.4)  Other |
| 1 |  |  |  |  |  |  |  | |  |  |  |  |
| 2 |  |  |  |  |  |  |  | |  |  |  |  |
|  |  |  |  |  |  |  |  | |  |  |  |  |

16. In this Part B, Section 1, disclose the total value of the controlled transaction, which the person submitting this Disclosure Form had entered into with companies or juristic partnerships, that were operating in Thailand, that is related to the person submitting this form, including those listed in Part A, Section 1.

**"Controlled transactions"** means transactions between companies or juristic partnerships that are related.

17. Specify the total number of companies or juristic partnerships listed in Part B, Section 1, as well as those listed in the Attachment to this Part B, Section 1 of this Disclosure Form.

18. Specify the name of the company or juristic partnership that appears in Part A, Section 1, however only those which the person submitting this Disclosure Form had transactions with.

19. Specify the amount of main revenue derived from business operations of the company or juristic partnership, which the person submitting this Disclosure Form has incurred. When considering whether any income will qualify as main revenue from business operations, it should be the same with what was declared in form PND 50.

20. Specify the amount of other revenue, (apart from the main revenue from business operations declared in annotation 19 above), such as gains from the sale of assets used in operations, subsidies, etc., incurred by the person submitting this Declaration Form, however only from transactions with related companies or juristic partnerships.

21. Specify the number of attachments for this Part B, Section 1 of this Disclosure Form.

22. Indicate the currency used to complete this information. This currency should correspond to the currency as specified in annotation 3.

23. Specify the purchase amount of raw materials or products, purchased from related companies or juristic partnerships by the person submitting the Disclosure Form.

24. Specify the purchase price amount of land, building, and equipment purchased by the filer of this Disclosure Form, from related companies or juristic partnerships.

"Land, building, and equipment" means tangible property, which the person submitting the Disclosure Form intended for use in production, distribution of goods, provision of services, renting, or administration, and is expected to utilize more than one (1) accounting period. This shall include property under construction or ongoing installation.

Samples of land, buildings, and equipment includes office buildings, machinery, automobiles, right of use, assets under finance lease agreements, etc.

25. Indicate the amount of royalty fees that the person submitting this Disclosure Form paid to related companies or juristic partnerships. “Royalties" shall be defined as follows:

(1) If transactions are with related companies or juristic partnerships that operate in Thailand, it shall mean "royalties" under Section 40 (3) of the Revenue Code.

(2) If transactions are between, a company or a juristic partnership operating in Thailand, and a counterparty that does not operate in Thailand, and Thailand has an agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to income tax (Double Taxation Convention) with the other country in which the counterparty is registered, the definition of "royalties" shall be in accordance with the provisions of royalties of that Double Tax Convention shall apply.

(3) If the transaction is between, a company or juristic partnership operating in Thailand, and a counterparty that does not operate in Thailand, and the other country in which that counterparty is registered in does not have Double Taxation Convention with Thailand, the meaning of "royalties" under Section 40 (3) of the Revenue Code shall apply.

26. Specify the total value of expenses in the form of management fees, technical service fees, and commission fees that the person filing this Disclosure Form paid[[1]](#footnote-1) to related companies or juristic partnerships.

27. Specify the amount of interest that was in the form of Operating Expense that the person filing this Disclosure Form paid[[2]](#footnote-2) to related companies or juristic partnerships.

28. Specify the amount of expenses other than purchases of: Raw materials (annotation 23); Land, building, and equipment (annotation 24); Royalties (annotation 25); Management fees / Technical service fees / Commissions (annotation 26); and, Interest expenses (annotation 27), which the person submitting this Disclosure Form paid[[3]](#footnote-3) to related companies or juristic partnerships.

29. Specify the amount of borrowed money, comprised of the principal, and compounded interest, outstanding as at the end of the accounting period, which the person submitting this Disclosure Form borrowed from related companies or juristic partnerships.

The term "Borrowed Money" means the obligation that the filer of this Disclosure Form must repay in cash or other assets to another person for a specific amount under specific conditions, whether expressly or implicitly, arising from the other person having given cash or cash equivalents to the person filing this Disclosure Form, to use, as requested by the person filing this Disclosure Form, such as loans, promissory notes, bills of exchange, debentures or debt instruments without interest expenses, etc., however excluding the item, accounts payables.

30. Specify the amount of the lent money, comprised of the principal and compound interest, remaining as at the end of the accounting period which the person submitting this Disclosure Form granted to related companies or juristic partnerships.

The term "Lent Money" means the right, that the person submitting this Disclosure Form, has to receive cash or other assets from another person, a specific amount under specific conditions, whether expressly or implicitly, arising from the person submitting this Disclosure Form having given that other person cash or cash equivalents, for use by that other person, per the request of that other person, such as loans, promissory notes, bills of exchange, debentures or debt securities without interest expenses, etc., however excluding accounts receivables.

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Part B | | | | | | | | | | | | |
|  | | | | | | | | | | | | |
| Section 2. | Details of controlled transactions with related companies or juristic partnerships not operating in Thailand | | | | | | | No. of entities\_\_\_\_\_Attachments \_\_\_\_\_ page(s) (Currency……….) | | | | |
| No. | (9)  Name of related company or juristic partnership | (10)  Main revenue derived from business operations | (11)  Other income | (12)  Purchase of raw materials/ goods | (13)  Purchase of land, buildings and equipment | (14)  Other expenses | | | | | (15)  Amount of loans payable as at the last day of the accounting period | (16)  Amount of loans lent  as at the last day of the accounting period |
| (14.1)  Royalty fees | (14.2)  Management/  technical/ commission fees | | (14.3)  Interest | (14.4)  Other |
| 1 |  |  |  |  |  |  |  | |  |  |  |  |
| 2 |  |  |  |  |  |  |  | |  |  |  |  |
|  |  |  |  |  |  |  |  | |  |  |  |  |

31. In this Section B, Item 2, report the value of the controlled transactions that the person filing this Disclosure Form had with related companies or juristic partnerships that have not operated in Thailand, as reported in Part A, Section 2.

"Controlled transactions" means transactions between companies or juristic partnerships that are related.

32. Specify the number of companies or juristic partnership listed in Part B[[4]](#footnote-4), Section 2, as well as those listed in the Attachment to this Part B, Section 2 of this Disclosure Form.

33. Indicate only the names of companies or juristic partnerships that appears in Part B, Section 2, which the person submitting this Disclosure Form had transactions with.

34. Specify the amount of main revenue derived from business operations by the person filing this Disclosure Form only from transactions with related companies or juristic partnerships. When considering whether revenue is main revenue derived from business operations, it should follow how it was recognized for purposes of filing PND 50 (corporate income tax form).

35. Specify the amount of other revenue, (apart from the main revenue from business operations declared in annotation 34 above), such as gains from the sale of assets used in operations, subsidies, etc., incurred by the person submitting this Disclosure Form, however only from transactions with related companies or juristic partnerships.

36. Specify the number of attachments for this Part B, Section 2 of this Disclosure Form.

37. Indicate the currency used to complete this information. This currency should correspond to the currency as specified in annotation 3.

38. Specify the purchase amount of raw materials or products, purchased from related companies or juristic partnerships by the person submitting this Disclosure Form.

39. Specify the purchase price amount of land, building, and equipment purchased by the filer of this Disclosure Form, from related companies or juristic partnerships.

"Land, building, and equipment" means tangible property, which the person submitting the Disclosure Form intended for use in production, distribution of goods, provision of services, renting, or administration, and is expected to utilize more than one (1) accounting period. This shall include property under construction or ongoing installation.

Samples of land, buildings, and equipment includes office buildings, machinery, automobiles, right of use, assets under finance lease agreements, etc.

40. Indicate the amount of royalty fees that the person submitting this Disclosure Form paid to related companies or juristic partnerships. “Royalties" shall be defined as follows:

(1) If transactions are with related companies or juristic partnerships that operate in Thailand, it shall mean "royalties" under Section 40 (3) of the Revenue Code.

(2) If transactions are between, a company or a juristic partnership operating in Thailand, and a counterparty that does not operate in Thailand, and Thailand has an agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to income tax (Double Taxation Convention) with the other country in which the counterparty is registered, the definition of "royalties" shall be in accordance with the provisions of royalties of that Double Tax Convention shall apply.

(3) If the transaction is between, a company or juristic partnership operating in Thailand, and a counterparty that does not operate in Thailand, and the other country in which that counterparty is registered in does not have Double Taxation Convention with Thailand, the meaning of "royalties" under Section 40 (3) of the Revenue Code shall apply.

41. Specify the total value of expenses in the form of management fees, technical service fees, and commission fees that the person filing this Disclosure Form paid[[5]](#footnote-5) to related companies or juristic partnerships.

42. Specify the amount of interest that was in the form of Operating Expense that the person filing this Disclosure Form paid[[6]](#footnote-6) to related companies or juristic partnerships.

43. Specify the amount of expenses other than purchases of: Raw materials (annotation 38); Land, building, and equipment (annotation 39); Royalties (annotation 40); Management fees / Technical service fees / Commissions (annotation 41); and, Interest expenses (annotation 42), which the person submitting this Disclosure Form paid[[7]](#footnote-7) to related companies or juristic partnerships.

44. Specify the amount of borrowed money, comprised of the principal, and compounded interest, outstanding as at the end of the accounting period, which the person submitting this Disclosure Form borrowed from related companies or juristic partnerships.

The term "Borrowed Money" means the obligation that the filer of this Disclosure Form must repay in cash or other assets to another person for a specific amount under specific conditions, whether expressly or implicitly, arising from the other person having given cash or cash equivalents to the person filing this Disclosure Form, to use, as requested by the person filing this Disclosure Form, such as loans, promissory notes, bills of exchange, debentures or debt instruments without interest expenses, etc., however excluding the item, accounts payables.

45. Specify the amount of the lent money, comprised of the principal and compound interest, remaining as at the end of the accounting period which the person submitting this Disclosure Form granted to related companies or juristic partnerships.

The term "Lent Money" means the right, that the person submitting this Disclosure Form, has to receive cash or other assets from another person, a specific amount under specific conditions, whether expressly or implicitly, arising from the person submitting this Disclosure Form having given that other person cash or cash equivalents, for use by that other person, per the request of that other person, such as loans, promissory notes, bills of exchange, debentures or debt securities without interest expenses, etc., however excluding accounts receivables.

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| Part C Other Details | | | |
| 1. | The taxpayer has the duty to prepare consolidated financial statements per the accounting standards |  Yes (Indicate consolidated income)……… |  No |
| 2. | The taxpayer has undertaken a business restructuring with related companies or juristic partnerships during the accounting period |  Yes |  No |
|  | 2.1. Effect on the income of the taxpayer |  Increased |  Decreased |
|  | 2.2. Effect on the costs of the taxpayer |  Increased |  Decreased |
|  | 2.3. Effect on gross profit margin of the taxpayer |  Increased |  Decreased |
| 3. | The taxpayer has disposed, distributed, transferred intangible assets to related companies or juristic partnerships during the accounting period |  Yes |  No |

46. In Part C, provide information about the person filing this Disclosure Form, in regard to the specific questions.

47. Specify whether or not the person submitting the Disclosure Form has the duty to prepare consolidated financial statements in accordance with accounting standards. (If yes, the applicant must specify the consolidated revenue (total revenue) as shown in the consolidated financial statements.)

48. Specify whether the person submitting the Disclosure Form has done a business restructuring with a related company or juristic partnership during the accounting period.

Business restructuring includes improvement of commercial or financial agreements between related companies or juristic partnerships affecting the main work performed, key assets utilized, or main risks affecting the main work duties of the person filing the Disclosure Form.

For example

(1) Change of the functions of the person filing the Disclosure Form from that being a manufacturer that is responsible for procurement of raw materials, production, and transportation (Fully-fledged Manufacturer) to one that is responsible for production only (Toll Manufacturer), or vice versa.

(2) The person submitting the report form Transferred some of its businesses to another company or juristic partnership, which is a company or a juristic partnership with a relationship

49. If the person submitting this Disclosure Form indicates, in annotation 48, that it has undergone a business restructuring, specify whether the impact of the business structure caused the revenue of the person submitting this Disclosure Form increased or decreased. If there was no impact on revenue, there is no need to specify the effect.

50. If the person submitting this Disclosure Form indicates, in annotation 48, that it has undergone a business restructuring, specify whether the impact of the business structure caused the costs of the person submitting this Disclosure Form to increase or decrease If there was no impact on costs, there is no need to specify the effect.

51. If the person submitting this Disclosure Form indicates, in annotation 48, that it has undergone a business restructuring, specify whether the impact of the business structure caused the gross profit of the person submitting this Disclosure Form to increase or decrease If there was no impact on gross profit, there is no need to specify the effect.

52. Specify whether or not the person submitting the Disclosure Form has sold or transferred any intangible asset to any related company or juristic partnership during the accounting period.

"Intangible assets" means assets that:

(1) Have no shape and are not financial products, nor goods (Examples of financial assets include cryptocurrencies, digital tokens, the right to receive cash, or other similar assets);

(2) can be possessed or owned;

(3) can be used for commercial or financial benefits; and,

(4) if that property grants the right to use, sells, or transfers that property, companies or juristic partnerships that are independent to each other would collect compensation for granting such right to use, sell, or transfer the said assets.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Certification of Director, Partner, or Manager | | | | |
| I have checked the details appearing in the Annual Disclosure Form for Companies or Juristic Partnerships with Related Parties. I hereby certify that the details declared are complete and correct and that the taxpayer has complete accounting supporting documentation. | | | | |
| Signature |  |  | Signature |  |
|  | ( ) |  |  | ( ) |
| Position |  |  | Position |  |
| Submitted on Date MonthYear  | | | | |

53. Directors, partners, or managers of the person submitting the Disclosure Form shall certify the correctness, completeness, and truthfulness of the items appearing in the Disclosure Form, and shall have supporting accounting documents, together with the seal of the person submitting the Disclosure Form (if any).

APPENDIX

Examples of Related Parties

Example 1

Example 2

A Co.

JP Co.

50% or more shareholding

50% or more shareholding

C Co.

B Co.

JP Co. is a juristic person of Japan, and C Co. is established under Thai law are related parties.

A Co. and B Co. are related parties.

JP Co.

Example 3

C Co.

JP Co. is registered in Japan, and C Co. is registered under Thai law are related parties.

Calculation of indirect shareholding is in accordance of the proportion of shareholding. In this example JP Co holds not less than 50% of shares in C Co., and C. Co holds 100% of the shares of E Co.

Here, JP Co. holds not less than 50% of the shares of E Co. through C. Co. (Or indirectly holds shares of not less than 50 percent.)

50% or more shareholding

100% Shareholding

E Co.

JP Co. is a legal entity of Japan, holding not less than 50% of C Co. and F Co., which were established under Thai law.

So, C Co. and F Co. are related parties.

Example 4

JP Co.

50% or more shareholding

50% or more shareholding

C Co.

F Co.

Example 5

JP Co. is a legal entity of Japan, holding not less than 50% of C Co. and F Co., which were established under Thai law. C Co. holds 100% of the shares of E Co.

As described in Example 4, because C Co. and F Co. are related parties, therefore making JP Co. and E Co. related parties as well.

JP Co.

50% or more shareholding

50% or more shareholding

C Co.

F Co.

100% Shareholding

E Co.

Example 6

JP Co.

Question: Are JP Co. which was registered in Japan, and C Co., established under Thai law related parties?

Answer: Yes. JP Co. and C Co. are related parties because JP Co. indirectly holds 52% of the shares in C Co, through A Co., and B Co.

80% shareholding

A Co.

100% shareholding

B Co.

65% shareholding

C Co.

Example 7

JP Co.

Question 1: Are JP Co., which is registered in Japan, and B Co., registered under Thai law related parties?

Answer 1: Yes. JP Co. and B Co. are related parties because JP Co. indirectly holds 52% of the shares in B Co, through A Co.

Question 2: Are JP Co., which is registered in Japan, and C Co. registered under Thai law related parties?

Answer 2: No. JP Co. and C Co. are not related parties because JP Co. only indirectly holds 41.6% of the shares of C Co through A Co. and B Co.

80% shareholding

A Co.

65% shareholding

B Co.

80% shareholding

C Co.

Example 8

D Co.

JP Co.

C Co.

B Co.

A Co.

Question: Are B Co. and D Co. related parties?

Answer: Yes. B Co. and D Co are related parties because JP Co. indirectly holds both company’s shares in the following manner.

JP Co. indirectly holds 55% of the shares of B Co. through A Co. Likewise, JP Co. indirectly holds 60% of the shares of D Co. through C Co.

60% shareholding

55% shareholding

100% shareholding

100% shareholding

Example 9

Question: Are B Co. and C Co. related parties?

Answer: No. B Co. and C Co. are not related parties because they would not be defined as related parties under Section 71 bis, paragraph two of the Revenue Code.

JP Co.

100% shareholding

B Co.

C Co.

50% shareholding

50% shareholding

A Co.

Example 10

JP Co.

Question: Are JP Co. and Co. E related parties?

Answer: Yes. JP Co. and Co. E are related because JP Co. holds shares of Co. E. in total, directly and indirectly, 60%.

This comprises of 40% direct shareholding of Co. E shares, plus indirect shareholding of 20% of Co. E through Co. C.

50%

Shareholding

40%

Shareholding

100% Shareholding

Co. A

40% Shareholding

Co. C

100% Shareholding

Co. E

Co. B

50% Shareholding

50% Shareholding

100% Shareholding

100% Shareholding

Question 1: Which companies are B Co. related to?

Answers:

1. B Co. and JP Co. are related parties because JP Co. directly holds 100% of B Co. shares. {Revenue Code, Section 71 bis, (1)}
2. B Co. and ML Co. are related parties because B Co. directly holds 50% of the shares of ML Co. {RC, Section 71 bis, (1)}
3. B Co. and C Co. are related parties because they have a common shareholder (JP Co.), which directly holds 100% of B Co. as well as C Co. {RC, Section 71 bis, (2)}

Question 2: Which companies are ML Co. related to?

Answers:

1. ML Co. and B Co. are related parties because B Co. directly holds 50% of the shares of ML Co. {RC, Section 71 bis, (1)}
2. ML Co. and C Co. are related parties because C Co. directly holds 50% of shares in ML Co. {RC, Section 71 bis, (1)}
3. ML Co. and JP Co. are related parties because JP Co. indirectly hold a total of 100% of the shares of ML Co. through B Co. and C Co. {RC, Section 71 bis, (1)}

Example 11

JP Co.

C Co.

B Co.

ML Co.

1. NNP Group: “incurred (on an accrual basis)” may possibly have been the intention instead of “paid”. [↑](#footnote-ref-1)
2. NNP Group: “incurred (on an accrual basis)” may possibly have been the intention instead of “paid”. [↑](#footnote-ref-2)
3. NNP Group: “incurred (on an accrual basis)” may possibly have been the intention instead of “paid”. [↑](#footnote-ref-3)
4. May possibly be a typo. May have intended “Part A” instead of “Part B”. [↑](#footnote-ref-4)
5. NNP Group: “incurred (on an accrual basis)” may possibly have been the intention instead of “paid”. [↑](#footnote-ref-5)
6. NNP Group: “incurred (on an accrual basis)” may possibly have been the intention instead of “paid”. [↑](#footnote-ref-6)
7. NNP Group: “incurred (on an accrual basis)” may possibly have been the intention instead of “paid”. [↑](#footnote-ref-7)