TRANSFER PRICING BRIEFING

HMRC opens its consultation on the International Controlled Transactions Schedule

What the ICTS means for your business, and how to prepare · June 2026

This week HMRC opened its consultation on the International Controlled Transactions Schedule (the “ICTS”). It is a significant change to how transfer pricing risk will be assessed in the UK. We wanted to share a short briefing on what it is, why it matters, and how we can help you prepare.

WHAT IT IS

The ICTS is a new annual filing requirement for businesses in scope of UK transfer pricing rules. For accounting periods beginning on or after 1 January 2027, in-scope multinationals will report their intercompany transactions in a standardised, structured template.

It adds a standardised data disclosure on top of your existing transfer pricing documentation (the master file, local file and Country-by-Country Report) rather than replacing them.

> **Now:** Consultation open; responses due by 31 July 2026
> **2026:** Legislative framework introduced via Finance Act 2026
> **1 January 2027:** Applies to accounting periods beginning on or after this date

WHY IT MATTERS

Master and local files are narrative documents. They were never built for analysis at scale. The ICTS is standardised data, primed to be analysed by automated tools, including large language models, at scale. HMRC has been explicit that the schedule will “facilitate automated, data-led risk assessment”: screening large volumes of standardised data to focus enquiries on higher-risk arrangements.

> In its 2024–25 Annual Report, HMRC set out its ambition for **“enhanced compliance targeting, debt prediction, and fraud detection through advanced AI analytics tools.”** The ICTS provides exactly the structured data these tools are built to consume.

WHAT IT MEANS FOR YOU

In practice, the data you file will be machine-readable and risk-scored. Positions that sit outside expected ranges, or that are inconsistent with your supporting documentation, are more likely to be flagged automatically.

Robust, consistent and well-evidenced documentation will matter more than ever, and it needs to be right *before* you file, not defended afterwards.

HOW WE CAN HELP

At Unity Advisory we deliver transfer pricing advice differently. We have built **Tax Inspector**, an AI workflow that reviews your Local Files and ICTS data to identify audit risk early and suggest areas for remediation. If HMRC is using AI to find risk, you should be able to find it first.

Tax Inspector documentation review

We scan your positions against the OECD Transfer Pricing Guidelines and HMRC's Guidelines for Compliance, flag the exposures a reviewer might challenge, and risk-rate them, so you can strengthen your position before you file.

ICTS readiness review

We assess your data and documentation against the new requirements ahead of the 2027 start date, so there are no surprises when the first schedule is due.

We think transfer pricing documentation should be stress-tested before submission, not defended after. We would welcome a conversation about what the ICTS means for your business and how to prepare. Please do get in touch.