

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

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Press Release

Advance Pricing Agreements Signed by Central Board of Direct Taxes Touch 140

The Central Board of Direct Taxes (CBDT) has entered into 10 more Advance Pricing Agreements (APAs) over the last one week, including 7 Unilateral APAs signed today. Two of these ten agreements are Bilateral APAs with the United Kingdom and Japan. Seven of these Agreements have Rollback provisions in them.

With this, the total number of APAs entered into by the CBDT has reached **140**. This includes 10 Bilateral APAs and 130 Unilateral APAs. In the current financial year, a total of 76 APAs (7 Bilateral APAs and 61 Unilateral APAs) have already been entered into. The CBDT expects more APAs to be concluded and signed before the end of the current fiscal.

The APAs entered into over the last week pertain to various sectors of the economy like Telecom, Pharmaceutical, Banking & Finance, Steel, Retail, Information Technology, etc. The international transactions covered in these agreements include Payment of Royalty Fee, Trading in Goods, IT Enabled Services, Software Development Services, Marketing Support Services, Clinical Research Services, Non-binding Investment Advisory Services, Payment of Interest on ECB, etc.

The APA Scheme was introduced in the Income-tax Act in 2012 and the "Rollback" provisions were introduced in 2014. The scheme endeavours to provide certainty to taxpayers in the domain of transfer pricing by specifying the methods of pricing and setting the prices of international transactions in advance. Since its inception, the APA scheme has evinced a lot of interest from taxpayers and that has resulted in more than 700 applications (both unilateral and bilateral) being filed so far in about five years.

The progress of the APA Scheme strengthens the Government's resolve of fostering a non-adversarial tax regime. The Indian APA programme has been appreciated nationally and internationally for being able to address complex transfer pricing issues in a fair and transparent manner.

(Meenakshi J Goswami)
Commissioner of Income Tax
(Media and Technical Policy)
Official Spokesperson, CBDT.