

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

New Delhi, 7th March, 2017.

Press Release

CBDT Signs Another Bilateral Advance Pricing Agreement with subsidiary of a Japanese Company

The Central Board of Direct Taxes (CBDT) has entered into a bilateral Advance Pricing Agreement (APA) with rollback provision with a Japanese subsidiary on 6th March, 2017. The total number of bilateral APAs signed with Japanese subsidiaries has thus reached five, all with rollback provisions. Four APAs out of these five have been signed in the current financial year.

All these five bilateral APAs are with Japanese trading companies (Sogo Soshas). Certainty in tax treatment for Sogo Soshas has been a long standing demand of the Japanese industry. The bilateral signing of APAs in this sector provides tax certainty up to nine years in each of these cases.

No. of Advance Pricing Agreements signed				
S. No	Financial Year	Unilateral APAs	Bilateral APAs	Total
1	2013-14	5	0	5
2	2014-15	3	1	4
3	2015-16	53	2	55
4	2016-17 (up to 6-03-2017)	69	8	77
Total		130	11	141

The total number of APAs entered into by the CBDT has reached 141 with this signing. The CBDT expects more APAs to be concluded and signed before the end of the current fiscal.

(Meenakshi J Goswami)
Commissioner of Income Tax
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Official Spokesperson, CBDT.