

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

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PRESS RELEASE

Indian Advance Pricing Agreement regime moves forward with signing of two APAs by CBDT in September, 2017

The Central Board of Direct Taxes (CBDT) has entered into 2 Unilateral Advance Pricing Agreements (UAPAs) with Indian Taxpayers during September, 2017.

With the signing of these 2 Agreements, the total number of APAs entered into by CBDT till date has reached 177. This includes 164 Unilateral APAs and 13 Bilateral APAs. In the current financial year, a total of 25 APAs (2 Bilateral and 23 Unilateral) have been signed till date.

The 2 APAs signed during September, 2017 pertain to Automobile and Healthcare Consulting Sectors of the economy. The international transactions covered in these two APAs include Provision of IT Enabled Services, Provision of Software Development Services and Provision of Engineering Design Services.

The APA scheme endeavours to provide certainty to taxpayers in the domain of transfer pricing by specifying the methods of pricing and determining the arm's length price of international transactions in advance for a maximum period of 5 future years. Further, the taxpayer has the option to rollback the APA for 4 preceding years, as a result of which, total of 9 years of tax certainty is provided.

Since its inception, the APA scheme has attracted tremendous interest among Multi National Enterprises (MNEs). The progress of the APA scheme strengthens the Government's commitment of fostering a non-adversarial tax regime.

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