

Name of form as per I.T. Rules, 1962	Form 3CEF	Name of form as per I.T. Rules, 2026	52
Corresponding section of I.T. Act, 1961	92CD	Corresponding section of I.T. Act, 2025	169
Corresponding Rule of I.T. Rules, 1962	10-O	Corresponding Rule of I.T. Rules, 2026	113

Form FN052- Annual Compliance Report on Advance Pricing Agreement

Purpose:

Form 52 is an Annual Compliance Report on Advance Pricing Agreement (APA) under the Indian Income-tax Act, 2025. It is used by taxpayers who have entered into an APA with the Central Board of Direct Taxes (CBDT). The form is used to confirm that the terms and conditions agreed upon in the Advance Pricing Agreement have been complied with during the relevant financial year. Form 52 is filed as per **Rule 113** of the Income-tax Rules, 2026.

Who Should File:

Any taxpayer who has a Unilateral, Bilateral, or Multilateral APA with Indian tax authorities.

Frequency & Due Dates:

A separate report in Form 52 must be filed for each year covered by the APA, within thirty days of the due date of filing the income tax return for that year, or within ninety days of entering into an agreement, whichever is later, as set out in **Rule 113** of the Income-tax Rules, 2026.

Structure of Form 52:

- Part A: Particulars of the Person
- Part B: Other Details (including):
 - Details of adjustment as per APA for each covered transaction (method of calculation of adjustment laid out in Annexure) along with amount of adjustment made in return of income
 - Specific details regarding compliance to the terms and conditions laid out in the signed APAs, and furnishing of reasons in case of deviation from said terms and conditions (in a separate enclosure)

Annexure	Particulars
A-1	1. Computation of adjustment where operating profit margin (OPM) in relation to the Operating Expense is Profit Level Indicator (PLI)

Sl. No.	Particulars		Amount
1	Operating Expense as per books of Account	A	
2	Add: Expense not recorded in the books of account but are required to be added as per APA (pl. specify each item separately)	B	
	Less: Expense recorded in the books of account but are not required to be added as per APA (pl. specify each item separately)	C	
3	Operating expenses (OE) as per APA (A+B-C)	D	
4	Operating revenue as per books of Account	E	
5	Add: Revenue not recorded in the books of account but are required to be added as per APA (pl. specify each item separately)	F	
6	Less: Revenue recorded in the books of account but are not required to be added as per APA (pl. specify each item separately)	G	
7	Operating Revenue as per APA (E+F-G)	H	
8	Operating Profit (H-D) as per APA	I	
9	Operating profit (E-A) as per books of Account	J	
10	OPM (I*100/D) as per APA	K	
11	OPM (J*100/D) as per books of Account	L	
12	Variance in OPM (K-L)	M	
13	Amount of adjustment required M*D [@]	N	
<p>@ In case 2 or more transactions are aggregated, the total amount of adjustment as per N in the above table may be shown in any one of the aggregated transactions and for the remaining aggregated transaction the adjustment amount may be mentioned as NIL if no adjustment is required to be made as per secondary check / other check, if any, as per the APA</p> <p>2. Computation of adjustment where operating profit margin (OPM) in relation to the Operating Revenue is Profit Level Indicator (PLI)</p>			
Sl. No.	Particulars		Amount
1	Operating Expense as per books of Account	A	

	2	Add: Expense not recorded in the books of account but are required to be added as per APA (pl. specify)	B														
	3	Less: Expense recorded in the books of account but are not required to be added as per APA (pl. specify)	C														
	4	Operating expenses (OE) as per APA (A+B-C)	D														
	5	Operating revenue as per books of Account	E														
	6	Add: Revenue not recorded in the books of account but are required to be added as per APA (pl. specify)	F														
	7	Less: Revenue recorded in the books of account but are not required to be added as per APA (pl. specify)	G														
	8	Operating Revenue as per APA (E+F-G)	H														
	9	Operating Profit (H-D) as per APA	I														
	10	Operating profit (E-A) as per books of Account	J														
	11	OPM (I*100/H) as per APA	K														
	12	OPM (J*100/H) as per books of Account	L														
	13	Variance in OPM (K-L)	M														
	14	Amount of adjustment required M*H [@]	N														
	<p>@ In case 2 or more transactions are aggregated, the total amount of adjustment as per N in the above table may be shown in any one of the aggregated transactions and for the remaining aggregated transaction the adjustment amount may be mentioned at NIL if no adjustment is required to be made as per secondary check / other check, if any, as per the APA</p> <p>3. Computation of adjustment in other cases</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Value of international transaction as per books of account</td> <td></td> </tr> <tr> <td>2</td> <td>Value of international transaction as per APA</td> <td></td> </tr> <tr> <td>3</td> <td>Amount of adjustment required (A-B)</td> <td></td> </tr> </tbody> </table>					Sl. No.	Particulars	Amount	1	Value of international transaction as per books of account		2	Value of international transaction as per APA		3	Amount of adjustment required (A-B)	
Sl. No.	Particulars	Amount															
1	Value of international transaction as per books of account																
2	Value of international transaction as per APA																
3	Amount of adjustment required (A-B)																
A-2	Critical Assumptions as per APA:		Whether complied with	If no, details thereof													
	A- General																

	1	Whether Transfer pricing methodology applied	Yes/No	
	2	Whether the Business activities remained the same		
	3	Whether the Financial, tax and accounting methods have remained the same	Yes/No	
B- Functions performed, assets employed and risk undertaken (FAR)				
	1	Whether the FAR has materially remained same	Yes/No	
	2	Whether the classification of the Applicant have remained the same	Yes/No	
C- AE				
	1	Whether any new AE has been added from a jurisdiction notified under section 176 or is resident of no tax or low tax jurisdiction as per rule RN086.	Yes /No	
	2	Whether any AE has become resident of a jurisdiction notified under section 176 or no tax or low tax jurisdiction as per rule RN086.	Yes/No	
D- Invoicing and Credit term				
	1	Whether the frequency of raising invoices by the Applicant was as per APA	Yes/No	
	2	Whether the frequency of raising invoices by the AE was as per APA	Yes/No	
	3	Whether the invoices were raised by the Applicant within the time specified in APA	Yes/No	
	4	Whether the invoices were raised by the AE within the time specified in APA	Yes/No	
	5	Whether the invoices were realised by the Applicant	Yes/No	

		within the time specified in APA		
	6	Whether the invoices were paid by the Applicant after the time specified in APA	Yes/No	
	7	Whether the applicant has offered interest income in case the invoicing and credit terms have not been complied with	Yes/No	
E- Other compliances				
	1	Whether the provisions of section 170 have been complied with	Yes/No	
	2	Whether the provisions of section 177 have been complied with	Yes/No	
	3	Whether the segmental accounts have been prepared as agreed	Yes/No	
	4	Whether certificate (s) as agreed from management, cost accountant, chartered accountant, chartered engineer and registered valuer have been obtained	Yes/No	
	5	Other critical assumptions as per APA not covered above (Pl. specify) (add row, if required)	Yes/No	
A-3		Whether the documentation as referred to in the APA has been maintained and furnished.	Yes/No	If no, details thereof

What are the documents required to file the Form 52?

All documents as agreed upon in the APA to justify the transfer pricing methodology and computation of arm's length price are required at the time of filing.

What is the process flow of filing Form 52?

The process flow includes following steps:

1. The Applicant shall file Form 52 electronically to the Principal Chief Commissioner of Income-tax (International Taxation)

2. The PCCIT (IT) shall send one copy of annual compliance report to the competent authority in India, one copy to the Commissioner of Income-tax who has the jurisdiction over the income-tax assessment of the Taxpayer and one copy to the Transfer Pricing Officer (TPO) having the jurisdiction over the Taxpayer.

Outcome of Processed Form 52:

- Following the filing of the ACR, the jurisdictional TPO would carry out a compliance audit for each of the years under the APA term. The TPO would provide a report to the PCCIT (IT) (for unilateral APAs) or the competent authority in India (for bilateral and multilateral APAs).
- The APA can be cancelled for not filing the ACR in time and also for furnishing the same with material errors.

Brief note on broad or qualitative changes proposed:

- The erstwhile Form 3CEF had a set of very general queries regarding compliance with the terms set forth in the Agreement by the Applicant. For example, agreed profit level indicator (PLI) vs actual achievement, business model agreed upon vs actual business model adopted. Further, any variance from the critical assumptions agreed upon in the APA was required to be indicated in general terms by the Applicant, which could create avoidable confusion regarding compliance at the time of audit.
- In order to ensure clarity in compliance, tabular computation of adjustment in case of variation for various profit level indicators utilised in APAs has been introduced. Cases where multiple transactions could be aggregated with one PLI have also been accounted for.
- Further, specific Critical Assumptions laid down in APAs with regard to FAR of the applicant, Associated Enterprises (AEs), Invoicing and Credit terms and other compliances mandated in the APA have also been explicitly outlined in the Annexure to the Form. This shall ensure clarity in compliance requirements for the Applicant and ease in carrying out compliance audit by the jurisdictional TPO, reducing opportunities of variance in understanding for both sides.

Challenges and Solutions:

- The erstwhile version of the form presented the challenge of ensuring clear compliance to the terms and conditions set forth in the APA, in the absence of a mechanism inbuilt in the Form for calculation of adjustment (if any) in case of deviation from said terms and conditions.
- This problem has been solved by incorporating a tabular computation in the Form itself to enable the Applicant to explicitly outline the adjustment made, ensuring clarity for the Applicant as well as lowering compliance burden at the time of compliance audit.
- The incorporation of details of common Critical Assumptions in APAs, into the Form itself further lowers compliance burden for the Applicant at the time of audit.

Common Changes made across Forms:

1. To make Forms system-friendly and enable e-filing and uploading, certain anomalies found due to grouping of Name, Designation, Address, PAN and Aadhaar number have been separated into different boxes.
2. Assessment / Financial / Previous year or years have been replaced with Tax year or years, wherever appearing in the Form/Annexure.
3. Sections, Clauses and Schedules changes as per the Income-tax Act, 2025.
4. Currency symbol "Rs." has been replaced with "₹".