



Central Board of Direct Taxes signs three more Advance Pricing Agreements pertaining to the Engineering Goods and Shipping sectors. With this, the total number of APAs entered into by the CBDT reaches 120.

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The Central Board of Direct Taxes (CBDT) has started the year 2017 by entering into three unilateral Advance Pricing Agreements (APAs) today.

The three APAs signed today pertain to the Engineering Goods and Shipping sectors of the economy. The international transactions covered in these agreements include Intra-group Services and Support Services.

With this, the total number of APAs entered into by the CBDT has reached **120** which includes 7 bilateral APAs and 113 Unilateral APAs. A total of **56** APAs (4 bilateral APAs and 52 unilateral APAs) have been entered into in the current financial year till date. The CBDT expects more APAs to be concluded and signed in the near future.

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 in just four 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. The approach and functioning of the officers in the APA teams have been appreciated and acknowledged by the industry in India and abroad.

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