



Ministry of Finance

# Central Board of Direct Taxes (CBDT) signs two Indian Advance Pricing Agreements (APAs) in November, 2017

Posted On: 01 DEC 2017 11:54AM by PIB Delhi

The Central Board of Direct Taxes (CBDT) has entered into 2 Bilateral Advance Pricing Agreements (APAs) during the month of November, 2017. These Agreements are the first ever Bilateral APAs with The Netherlands. With the signing of these Agreements, the total number of APAs entered into by the CBDT has gone up to 186. This includes 171 Unilateral APAs and 15 Bilateral APAs.

These two APAs pertain to the Electronics and Technology sectors of the economy. The international transactions covered in these agreements include Distribution, Provision of Marketing Support Services, Provision of Business Support Services, etc.

The APA provisions were introduced in the Income-tax Act in 2012 and the "Rollback" provisions were introduced in 2014. The APA 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 been well-accepted by taxpayers.

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.

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