



Ministry of Finance

Central Board of Direct Taxes (CBDT) enters into three more Advance Pricing Agreements (APAs) during the month of December, 2017

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The Central Board of Direct Taxes (CBDT) has entered into three more Advance Pricing Agreements (APAs) during the month of December, 2017. While two of the Agreements are Unilateral, one is a Bilateral with the United Kingdom. With the signing of these Agreements, the total number of APAs entered into by the CBDT has gone up to 189. This includes 173 Unilateral APAs and 16 Bilateral APAs.

These three APAs pertain to the Electronics, Coal and Insurance sectors of the economy. The international transactions covered in these agreements include Provision of Software Development Services, Provision of IT enabled Services, Trading, 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.

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. It has contributed significantly towards improving the ease of doing business in India.

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