

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

New Delhi, 29th December, 2016.

Press Release

Two More Advance Pricing Agreements signed by the Central Board of Direct Taxes

The Central Board of Direct Taxes (CBDT) has closed the year 2016 by entering into two more unilateral Advance Pricing Agreements (APAs) today.

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 two APAs signed today pertain to the Information Technology and Automobile sectors of the economy. The international transactions covered in these agreements include Software Development Services, IT enabled Services, Manufacturing and Business Support Services.

With this, the total number of APAs entered into by the CBDT has reached 117. This includes 7 bilateral APAs and 110 Unilateral APAs. In the current financial year, a total of 53 APAs (4 bilateral APAs and 49 unilateral APAs) have already been entered into. The CBDT expects more APAs to be concluded and signed in the near future.

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.

**(Meenakshi J. Goswami)
Commissioner of Income Tax
(Media and Technical Policy)
Official Spokesperson, CBDT.**