

# CBDT signs record number of 125 Advance Pricing Agreements (APAs) in FY 2023-24

## Total 641 APAs done since inception of the APA programme

Posted On: 16 APR 2024 8:04PM by PIB Delhi

The Central Board of Direct Taxes (CBDT) has entered into a record 125 Advance Pricing Agreements (APAs) in FY 2023-24 with Indian taxpayers. This includes 86 Unilateral APAs (UAPAs) and 39 Bilateral APAs (BAPAs). This marks the highest ever APA signings in any financial year since the launch of the APA programme. The number of APAs signed in FY 2023-24 also represents a 31% increase compared to the 95 APAs signed during the preceding financial year. With this, the total number of APAs since inception of the APA programme has gone up to 641, comprising 506 UAPAs and 135 BAPAs.

During FY 2023-24 CBDT also signed the maximum number of BAPAs in any financial year till date. The BAPAs were signed as a consequence of entering into Mutual Agreements with India's treaty partners namely Australia, Canada, Denmark, Japan, Singapore, the UK and the US.

The APA Scheme endeavours to provide certainty to taxpayers in the domain of transfer pricing by specifying the methods of pricing and determining the arm's length price of international transactions in advance for a maximum of five future years. Further, the taxpayer has the option to rollback the APA for four preceding years, as a result of which, tax certainty is provided for nine years. The signing of bilateral APAs additionally provides the taxpayers with protection from any anticipated or actual double taxation.

The APA programme has contributed significantly to the Government of India's mission of promoting ease of doing business, especially for Multi National Enterprises (MNEs) which have a large number of cross-border transactions within their group entities.

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(Release ID: 2018085)