

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

**PRESS RELEASE**

New Delhi, 29<sup>th</sup> March, 2016

**Sub: Signing of 11 unilateral Advance Pricing Agreements (APAs)- regarding.**

The Advance Pricing Agreement (APA) programme was introduced by the Finance Act, 2012 to provide a predictable and non-adversarial tax regime and to reduce litigation in the Indian transfer pricing regime. Taking this programme forward, the Central Board of Direct Taxes signed 11 unilateral APAs on 28<sup>th</sup> March, 2016. With this signing, India has entered into 59 bilateral and/or unilateral APAs. 50 of these agreements have been signed in the current financial year. The agreements cover a range of international transactions, including corporate guarantees, royalty, software development services, IT enabled services and trading. The agreements pertain to different industrial sectors like telecom, media, automobiles, IT services, etc. Some of the agreements have rollback provisions and provide certainty to the taxpayers for 9 years with regard to the covered international transactions.

Rollback provisions in APAs were introduced in the July 2014 Budget to provide certainty on the pricing of international transactions for 4 years (rollback years) preceding the first year from which APA becomes applicable. With the notification of Rollback rules in March 2015, the taxpayer has been provided the option to choose certainty in transfer pricing matters with the Government for a total of nine years (5 future years and 4 prior years).

Since the notification of the APA scheme on 30.08.2012, approximately 580 applications for APAs have been received and about half of these contain a request for the Rollback provisions. The number of applications is indicative of the wide international and national appreciation of the India's APA programme's ability to address complex transfer pricing issues in a fair and transparent manner.

**(Shefali Shah)  
Pr. Commissioner of Income Tax  
(Media and Technical Policy)  
and Official Spokesperson, CBDT**