

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

New Delhi, 18th July, 2016.

Press Release

Sub : Signing of Advance Pricing Agreements by CBDT

The Central Board of Direct Taxes (CBDT) entered into seven (7) Unilateral Advance Pricing Agreements (APAs) today, i.e., 18th July, 2016, with Indian taxpayers. Some of these agreements also have a “Rollback” provision in them.

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 attracted tremendous interest and that has resulted in more than 700 applications (both unilateral and bilateral) having been filed in just four years.

The 7 APAs signed today pertain to various sectors of the economy like banking, Information Technology and Automotives. The international transactions covered in these agreements include software development Services, IT enabled Services (BPOs), Engineering Design Services and Administrative & Business Support Services.

With today’s signings, the total number of APAs entered into by the CBDT has reached 77. This includes 3 bilateral APAs and 74 Unilateral APAs. In the current financial year, a total of 13 Unilateral APAs have been entered into so far.

The progress of the APA Scheme strengthens the Government’s mission of fostering a non-adversarial tax regime. The CBDT expects more APAs to be concluded and signed in the near future.

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Official Spokesperson, CBDT.**