

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

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PRESS RELEASE

Sub : Signing of Four Unilateral Advance Pricing Agreements by CBDT

The Central Board of Direct Taxes (CBDT) has entered into four more unilateral Advance Pricing Agreements (APAs) on 22nd and 23rd November, 2016. Some of these agreements also have a “Rollback” provision in them.

With these four signings, the total number of APAs entered into by the CBDT has reached 115. This includes 7 bilateral APAs and 108 Unilateral APAs till date. During the current financial year, a total of 51 APAs (4 bilateral APAs and 47 unilateral APAs) have been entered into so far.

The four APAs signed over the last two days pertain to various sectors of the economy like pharmaceuticals, Information Technology and construction. The international transactions covered in these agreements include software development Services, IT enabled Services (BPOs), Engineering Design Services, Contract R&D Services and Marketing Support Services

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 progress of the APA Scheme strengthens the Government’s mission of fostering a non-adversarial tax regime. The approach and functioning of the officers in the APA teams have been appreciated and acknowledged by the industry in India and abroad. The CBDT expects more APAs to be concluded and signed in the near future.

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