



Advance Pricing Agreement (APA) Programme of India

**ANNUAL REPORT
(2024-25)**

**Central Board of Direct Taxes
Department of Revenue, Ministry of Finance, New Delhi
September, 2025**

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Foreword by the Chairman, CBDT

The Advance Pricing Agreement (APA) programme of the CBDT, is one of its leading programmes for fostering a tax regime in India that provides an investor conducive environment. 815 APAs have been entered into by the CBDT till March, 2025, which demonstrates the widespread acceptance of the programme by taxpayers and stakeholders alike. In continuation of the exemplary performance last year, the programme was successfully taken forward in FY 2024-25, and witnessed one of the highest number of APA signings in any single year since the commencement of the APA programme.

Over more than a decade long period of its existence, 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 transactions spanning across borders, within their group entities. Each signed APA brings tax certainty for a taxpayer that spans multiple years. The APAs signed till date have cumulatively brought about certainty to taxpayers for more than 4,400 Assessment Years.

Apart from running the Unilateral leg of the APA programme successfully, the CBDT has also actively engaged with its various tax treaty partners to negotiate and enter into Bilateral APAs, which provide taxpayers an added benefit of relieving double taxation and providing tax certainty in both treaty partner jurisdictions. The year also saw a record number of bilateral agreements signed, which is also a testament to the strengthening of our relationship with taxpayers and treaty partner countries.

As we release this Report, I would like to place on record my appreciation of the hard work and dedication of the officers in the Foreign Tax & Tax Research Division of the CBDT and the officers in the APA teams under Principal CCIT (International Taxation). I would also like to thank the taxpayers for being equal and active partners in the success of this programme. CBDT will continue to strive towards further increasing the efficacy of the APA programme and attain more expedient outcomes going forward. All feedback/suggestions on this Report are welcome, and will help us in further strengthening the APA programme.



Ravi Agrawal

**Chairman, Central Board of Direct Taxes
Ministry of Finance, Government of India**

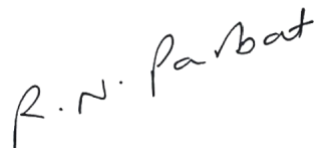
Preface by Member (L), CBDT

The Advance Pricing Agreement (APA) programme was introduced in India through the Finance Act, 2012 with a view to fulfil the objectives of tax certainty and double taxation avoidance - two key focus areas of the CBDT for several years now. Being founded on principles of mutual co-operation and trust between taxpayers and revenue authorities, the programme has strengthened the Indian tax administration's orientation of enabling and empowering, the growth of our taxpayers.

The programme has constantly strived for a meticulous, positive, fact-intensive and collaborative perspective on transfer pricing, aided by consultation and a desire on convergence and acceptability of outcomes. Thus, a more cooperative rather than adversarial approach, forms the cornerstone of the APA programme.

It gives me immense pleasure to present this seventh Annual Report (for FY 2024-25) of the Indian APA programme. This Annual Report presents abundant numerical data and detailed analysis that confirms the immense popularity and acceptability of the APA programme in India. The year FY 2024-25 in particular has been one of resounding success for the programme with several milestones in terms of number of signings surpassed in unilateral as well as bilateral agreements.

I would like to congratulate the officers in the Foreign Tax & Tax Research Division of the CBDT and the APA teams under Principal CCIT (International Taxation) for their successful work. This financial year has been a record-breaking year for the APA programme in many respects, with one of the highest number of signings in any year in the history of the programme, for which I would like to put on record my special appreciation for the dedication and hard work of the officers, as well as the positive support extended by taxpayers and tax consultants. In particular, I would also like to thank our taxpayers for reposing their faith in the APA programme and extending their full-fledged cooperation in ensuring that the programme continues to be a success.



R. N. Parbat

**Member (Legislation), Central Board of Direct Taxes
Ministry of Finance, Government of India**

Chapter 1: APA Programme of India – Introduction

An Advance Pricing Agreement (APA) is an agreement between the tax administration and a person (taxpayer), which determines, in advance, the Arm's Length Price (ALP) or specifies the manner of the determination of ALP (or both), in relation to an international transaction¹. APA programmes are operational in a number of countries for a long time. The primary goal of such programmes is to provide certainty to taxpayers in respect of the pricing of cross-border transactions undertaken by taxpayers with their group entities.

Unprecedented growth in international trade involving cross-border transactions within group entities has given rise to numerous tax disputes on the issue of transfer pricing. An APA is a mechanism to resolve transfer pricing disputes in advance, i.e., before the cross-border related party transaction actually takes place or, at least, before a dispute arises in respect of such cross-border transaction. The transfer price of goods and services transacted between group entities is decided in advance by the tax authorities and the taxpayers, so as to prevent any dispute arising from such transfer pricing.

The APA programme is carried out in India with a legislative mandate under the Income-tax Act, 1961. It was launched in 2012 through the insertion of sections 92CC and 92CD in the Income-tax Act, 1961 by the Finance Act, 2012. These statutory provisions, effective from 1st July, 2012, lent the legal backing to the CBDT to enter into APAs with taxpayers for a maximum period of 5 years in respect of international transactions between Associated Enterprises (AEs) to determine the ALP or to specify the manner in which the ALP is to be determined.

Vide notification no. 36/2012 [F. No. 133/5/2012-SO(TPL)]/SO 2005 (E), dated 30th August, 2012, the APA Scheme [Rules 10F to 10T] was inserted in the Income-tax Rules, 1962 to operationalize the APA programme. Thus, the Indian APA programme, which commenced from 1st July, 2012, became fully functional and operational from 30th August, 2012 with the notification of the rules. The rules deal with the various procedural aspects of the APA process, including procedures for pre-filing consultation application; pre-filing consultation; payment of fees; filing of APA application; processing of APA application; withdrawal of APA application; terms and conditions of APA; filing of Annual Compliance Report; Compliance Audit; revision, cancellation and renewal of APA; etc.

Rollback provisions allow the ALP or the methodology for determining the ALP as agreed to in the APA, to be rolled back to a period prior to the commencement of the APA. Roll-back of APAs was announced by the Government on 10th July, 2014. The necessary legislative changes in this regard were carried out through the Finance (No. 2) Act, 2014. The amendment to the Income-tax Rules, 1962 for implementing the Roll-back provisions were notified on 14th March, 2015 and the existing APA Scheme

¹Advance Pricing Agreement Guidance with FAQs released as part of Taxpayer Information Series No. 43

got amended accordingly. The Rollback provisions are applicable for a maximum of four years prior to the first year of the APA period. Thus, a taxpayer would be able to have certainty in matters of transfer pricing for a maximum period of 9 years at any one time by applying for an APA with Rollback provisions. Circular No. 10 of 2015 was issued by the CBDT on 10th June, 2015 to provide clarity on Rollback issues in the form of answers to FAQs.

Under the Indian APA programme, APAs can be unilateral, involving the CBDT only, or bilateral/multilateral, involving CBDT and the tax authorities of another country. Bilateral APAs are based on Agreements entered into by the Competent Authority of India with the Competent Authority of the treaty partner jurisdiction, thereby extending tax certainty simultaneously in both the jurisdictions. Over the last 13 years, more than 2000 applications have been filed in India. About 70% of these are for unilateral APAs between the Indian taxpayer and the CBDT. Till 31st March, 2025, 815 Agreements have been entered into, of which 615 are unilateral (UAPA), whereas 200 are bilateral (BAPA) including one multi-lateral (MAPA).

The APA applications are processed and analysed by dedicated APA teams working under the overall supervision of Pr. CCIT (International Taxation), New Delhi. Each APA team is headed by a Principal Commissioner/Commissioner of Income-tax. The team also comprises Addl./Joint Commissioners of Income-tax and Deputy/Asst. Commissioners of Income-tax. Presently, there are five APA teams. These teams are based in Delhi, Mumbai, Bengaluru and Gurgaon.

In respect of unilateral APAs (UAPAs), the position papers developed by the APA teams are approved by the Pr. CCIT (International Taxation), New Delhi and sent to the CBDT for approval. In the CBDT, officers of the Foreign Tax & Tax Research Division examine and process the position papers/report received under Rule 10L. Joint Secretary, FT & TR-I and FT & TR-II review the examination done by the officers below them and further process the position papers before sending it for final approval of the designated Member of the CBDT. The Member approves the final negotiating position to be adopted by the APA teams. Once the negotiation is complete, a draft Agreement is sent to the CBDT for approval. Thereafter, the Agreement is entered into between the CBDT and the taxpayer.

In respect of bilateral APAs (BAPAs), once the position papers are sent to the FT & TR Division by the Pr. CCIT (International Taxation), the Competent Authority of India (Joint Secretary, FT & TR-I for countries in Europe, North America and Caribbean or Joint Secretary, FT & TR-II for other countries) initiates discussions with their counterpart in the other country. The officers in the FT & TR Division of the CBDT working with the Competent Authority prepare the position of the Indian Competent Authority. The same is shared with the Competent Authority of the other country. Once positions have been exchanged, the Competent Authorities of both countries discuss and negotiate the terms and conditions of the APA. If they reach an understanding, then a Mutual Agreement, containing the terms and conditions of the APA, is entered into by the Competent Authorities of both countries.

Thereafter, each country usually enters into an Agreement with its own taxpayer. On the Indian side, the terms and conditions of the Mutual Agreement are shared with the taxpayer and its concurrence is sought within 30 days. Once the taxpayer agrees to the resolution reached in the Mutual Agreement, a draft Agreement is prepared in consultation with the Indian taxpayer and the same is submitted for the approval of the designated Member in the CBDT.

For both UAPAs and BAPAs, the Agreements are entered into by either Joint Secretary, FT & TR-I or Joint Secretary, FT & TR-II (the two Competent Authorities of India) with the taxpayer, on behalf of the CBDT.

The seventh Annual Report on the APA programme highlights the progress made in financial year 2024-25. This has been another successful year for the APA programme. **This year again, CBDT recorded the highest ever APA signings in any financial year since the launch of the APA programme, by signing a total of 174 APAs.** This year, CBDT also signed the maximum number of BAPAs in any financial year till date, with the signing of 65 BAPAs, including one MAPA. The BAPAs were signed as a consequence of entering into Mutual Agreements with India's treaty partners namely Australia, Japan, New Zealand, Singapore, South Korea, The Netherlands, the UK and the US. This was made possible by the relentless efforts of the CBDT and its officers working in the Foreign Tax & Tax Research Division and the APA teams under the Principal CCIT (International Taxation), and facilitated by coordinated efforts of all stakeholders in streamlining the processes, balancing standardization with flexibility and better team working synergies.

The CBDT acknowledges the cooperation and efforts of the taxpayers and their consultants in making the APA programme a success. CBDT also acknowledges the co-operation received from the Competent Authority teams of our treaty partner jurisdictions, particularly the United States, for the rise in the number of BAPAs signed.

The figure of 174 APAs is one of the highest ever number of APAs reported by any country till date in a tax year.² In India, APA reporting has traditionally been done on a financial year basis, which is same as its tax year, unlike most other countries that report it calendar year wise. It would be appropriate to note here that the number of 65 BAPAs signed by India is still far away from the BAPA figures reported by jurisdictions like United States and Japan. However, this figure has also risen considerably from 39 in FY 2023-24. **The year also saw India signing its first MAPA**, which can technically be considered a combination of several BAPAs that are agreed together in respect of a taxpayer having operations in multiple jurisdictions at the same time. This points towards the untapped potential that this programme still holds, as well as direction in which it may evolve in years to come.

² Some countries with leading APA numbers have not yet made their reports public, and this assertion is subject to the numbers they may report for a year already completed.

This Annual Report carries forward the CBDT's unique initiative to bring into the public domain various statistical and qualitative aspects of India's APA programme. The purpose of this exercise is to transparently put forward all aspects, including those that indicate that there is still a great scope for further improvements in this programme, and encourage discussion and debate amongst taxpayers, policy makers, and economists, among others, on its strengths and weaknesses. This Annual Report also underlines the importance that the APA programme holds in the Government's endeavour to promote and preserve a non-adversarial tax regime by working with the stakeholders.

Chapter 2: Data and Qualitative Analyses

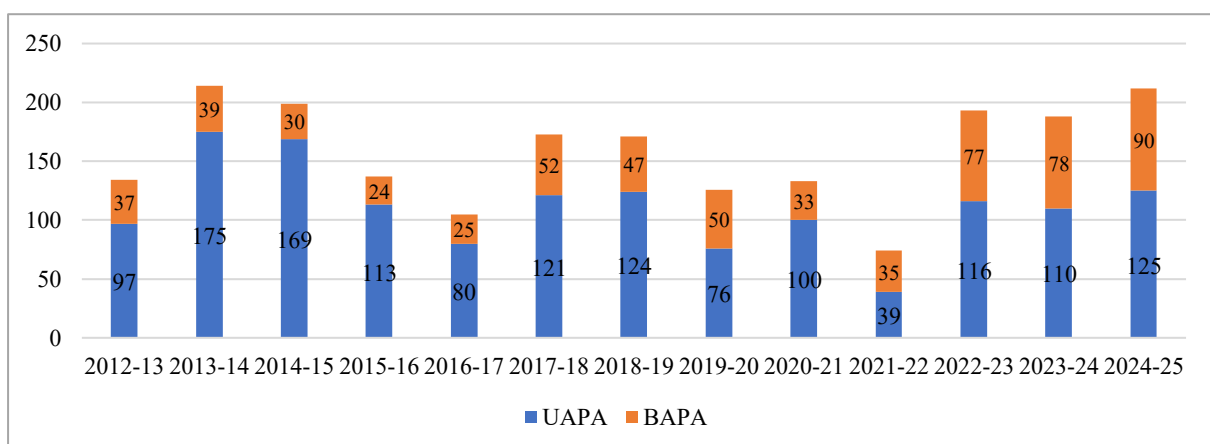
2.1 Applications filed

The total number of applications filed on an annual basis can be seen from Table 2-1 and Figure 2-1 below. The total number of BAPA filings in FY 2023-24 and FY 2024-25 has increased as seen from the rise in number of applications filed compared to previous years. Although premature to declare this as a trend based on one year, the shift towards BAPAs indicates confidence in the quick and efficient resolutions with many of our treaty partners.

Table 2-1 APA applications filed till 31.03.2025

Financial Year	UAPA applications	BAPA applications	Total
2012-13	97	37	134
2013-14	175	39	214
2014-15	169	30	199
2015-16	113	24	137
2016-17	80	25	105
2017-18	121	52	173
2018-19	124	47	171
2019-20	76	50	126
2020-21	100	33	133
2021-22	39	35	74
2022-23	116	77	193
2023-24	110	78	188
2024-25	125	90	215
Total	1445	617	2062

Figure 2-1 APA applications filed



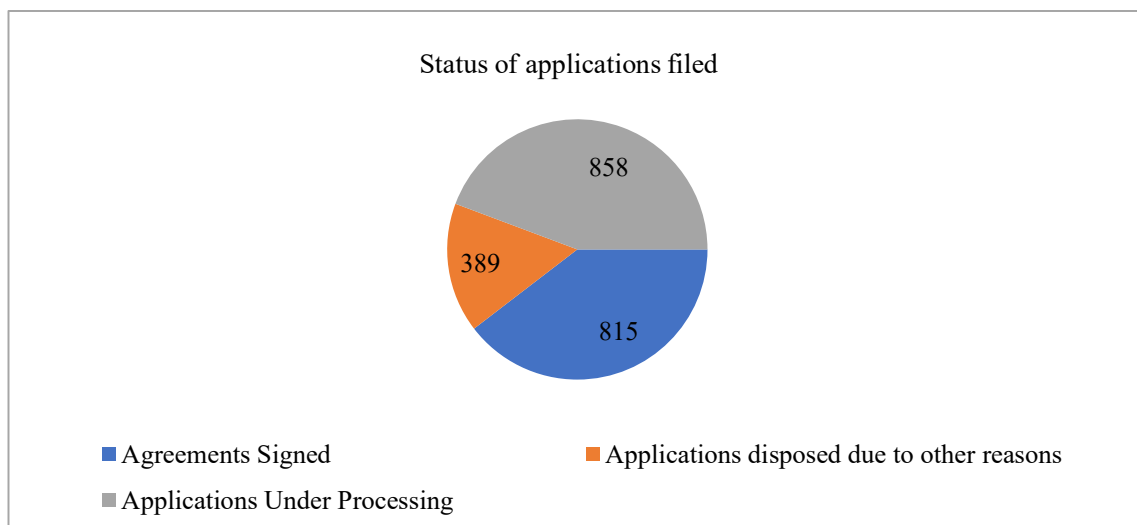
2.2 Status of applications filed

Table 2-2 shows the status of applications filed. Out of a total 2062 applications filed till 31st March 2025, a total of 1204 applications have been disposed and 858 applications are under processing. A comparison of applications filed, disposed, and under processing, is presented in Figure 2-2.

Table 2-2 Status of applications filed

Sr. No.	FY	Applications Filed (Post Conversion)	Agreements Signed	Applications disposed off due to other reasons	Applications under processing
1	2012-13	134	107	24	3
2	2013-14	214	130	71	13
3	2014-15	199	102	77	20
4	2015-16	137	65	59	13
5	2016-17	105	37	39	29
6	2017-18	173	61	47	65
7	2018-19	171	76	34	61
8	2019-20	126	59	9	58
9	2020-21	133	63	14	56
10	2021-22	74	24	5	45
11	2022-23	193	40	1	152
12	2023-24	188	44	5	139
13	2024-25	215	7	4	204
Total		2062	815	389	858

Figure 2-2 Status of applications filed from initiation of APA programme till 31.03.2025



2.3 Agreements signed: Year-wise

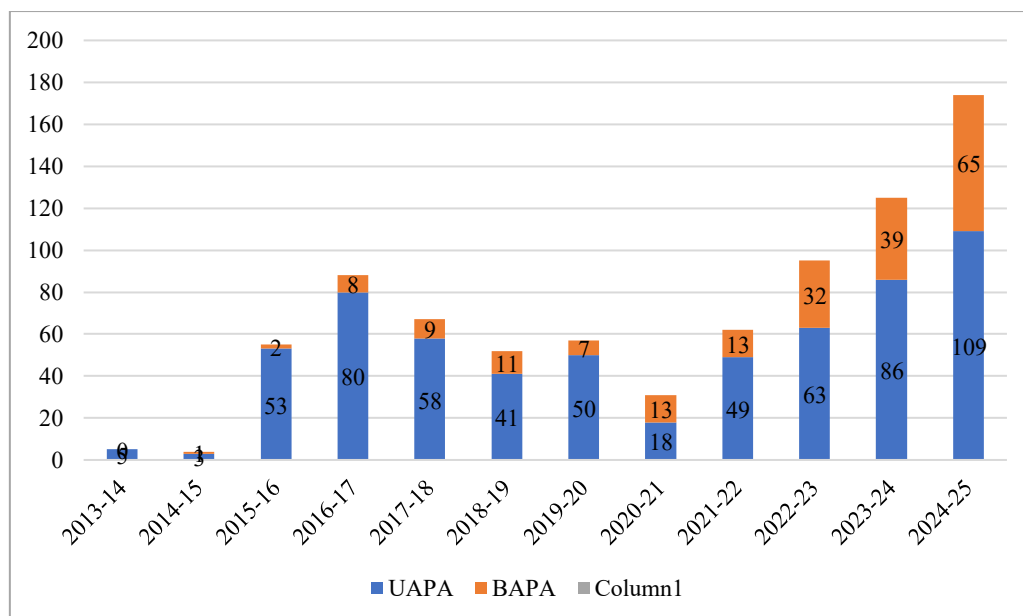
The number of agreements signed in various years of the APA programme are detailed in Table 2-3 and Figure 2-3 below. The number of APAs signed has continued to rise since FY 2021-22. Each successive year since FY 2020-21 has seen a new record number of APA signings. This year has also seen highest number of APAs as well as BAPAs ever signed. Additionally, signing of more than 150 APAs was a milestone achieved in this year.

Table 2-3 Agreements signed year wise

FY	UAPAs	BAPAs	Total
2013-14	5	0	5
2014-15	3	1	4
2015-16	53	2	55
2016-17	80	8	88
2017-18	58	9	67
2018-19	41	11	52
2019-20	50	7	57
2020-21	18	13	31
2021-22	49	13	62
2022-23	63	32	95
2023-24	86	39	125
2024-25	109	*65	174
Total	615	200	815

**includes one MAPA*

Figure 2-3 UAPAs and BAPAs signed since initiation of APA programme



2.4 Total of covered years in Agreements signed

The impact of the APA programme in increasing the ease of doing business is evident from the number of years for which it has brought certainty in transfer pricing matters and reduced litigation. In its short period of existence in India, **the APA programme has cumulatively brought about certainty for over 4400 years. The APAs signed in FY 2024-25 itself brought tax certainty for 970 years.**

Particulars	APA years	Rollback Years	Total Years
Agreements signed till 2023-24	2626 years	804 years	3430 years
Agreements signed in 2024-25	840 years	130.5 years	970.5 years
Total Agreements signed till 31st March 2025	3466 years	934.5 years	4400.5 years

These statistics indicate that the APA programme has emerged as an important tool to decongest the tax tribunals and higher judiciary of transfer pricing litigation. Even if we assume that only about half of these assessment years would have ended up in litigation, the APA programme has managed to prevent or resolve this litigation for more than 2200 assessment years. That way, more than 2200 transfer pricing matters may have been prevented from getting into litigation by the APA Programme.

Chapter 3: Unilateral APAs

3.1 Applications Filed

Statistics pertaining to UAPA applications are presented in Table 3-1. The number of applications filed in past years remains dynamic, largely because of the taxpayers exercising their choice of conversion of UAPAs into BAPAs and vice versa, after filing of their application.

Table 3-1 Applications filed (original and post-conversion)

Sr.No	F.Y	Application UAPA (Original)	Application UAPA (Post Conversion)
1	2012-13	105	97
2	2013-14	188	175
3	2014-15	185	169
4	2015-16	120	113
5	2016-17	81	80
6	2017-18	120	121
7	2018-19	124	124
8	2019-20	73	76
9	2020-21	100	100
10	2021-22	39	39
11	2022-23	116	116
12	2023-24	110	110
13	2024-25	125	125
Total		1486	1445

3.2 Status of Applications Filed

The number of UAPAs disposed off and number of UAPAs still under processing are detailed in Table 3-2 and Figure 3-2 below. The figures therein represent the gradual and ongoing evolution of the APA Programme, its increasing efficacy as well as the further progress that needs to be aspired in respect of it. The disposal of applications filed in earlier years is high while number of cases still under processing is low. For recent years, a large proportion of cases are still under processing. One reason for this is that the processing of APAs is a prolonged process involving site visits, various due diligence processes, and multiple rounds of negotiations. More importantly, there is a need for different stakeholders to come to an agreement, and unless they do, the application remains pending. Thus, processing and resolution of APAs takes time. This is true of APA Programmes everywhere in the world.

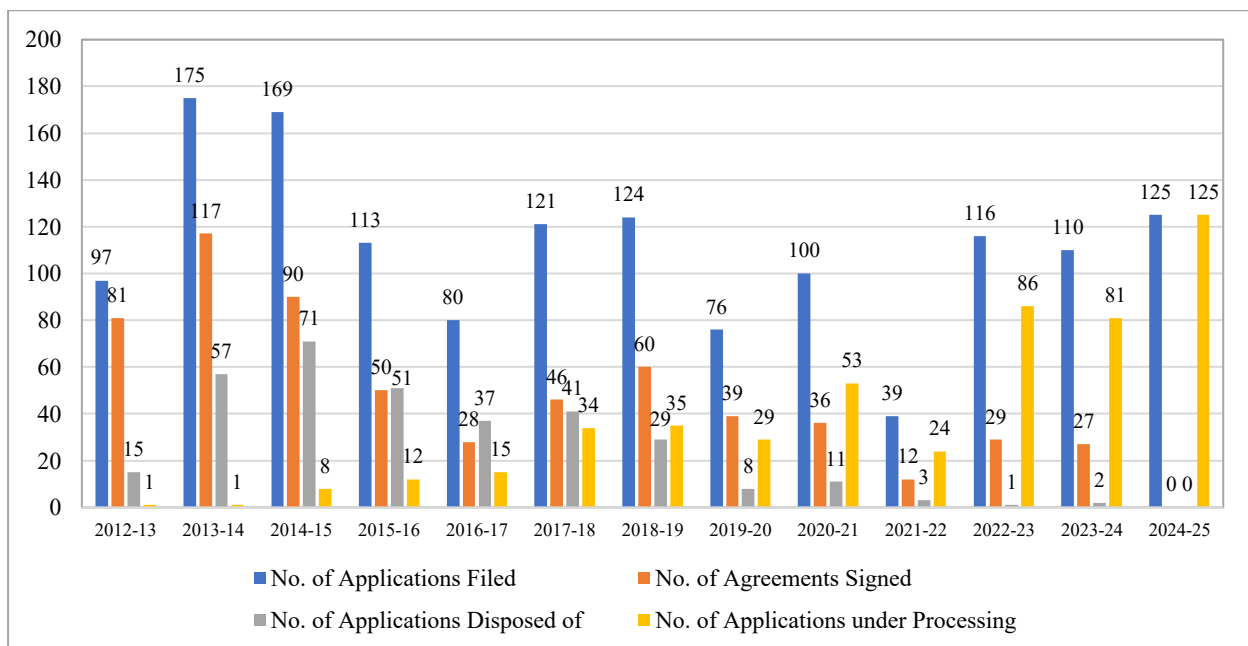
The number of pending applications also include cases where the Applicant has not been responsive to queries of the APA team or has not shown much interest in engaging in the APA process, but has also not withdrawn its application, leading to a lack of progress. Nevertheless, the absolute number of APAs concluded has steadily risen over the past few years, showing progress in the speed and efficacy of their

resolution. From the data in the current financial year, it can be observed that nearly 25% of the applications currently under processing pertain to applications filed in March 2025, and their processing has just taken off.

Table 3-2 Status of UAPAs filed

		(A)	(B)	(C)	(D)
Sr.No	F.Y	No. of Applications Filed (Post-Conversion)	No. of Agreements Signed out of (A)	No. of Applications Disposed of out of (A) due to other reasons	No. of Applications under Processing out of (A)
1	2012-13	97	81	15	1
2	2013-14	175	117	57	1
3	2014-15	169	90	71	8
4	2015-16	113	50	51	12
5	2016-17	80	28	36	16
6	2017-18	121	46	41	34
7	2018-19	124	60	29	35
8	2019-20	76	39	8	29
9	2020-21	100	36	11	53
10	2021-22	39	12	3	24
11	2022-23	116	29	1	86
12	2023-24	110	27	2	81
13	2024-25	125	0	0	125
Total		1445	615	325	505

Figure 3-2 Status of UAPAs



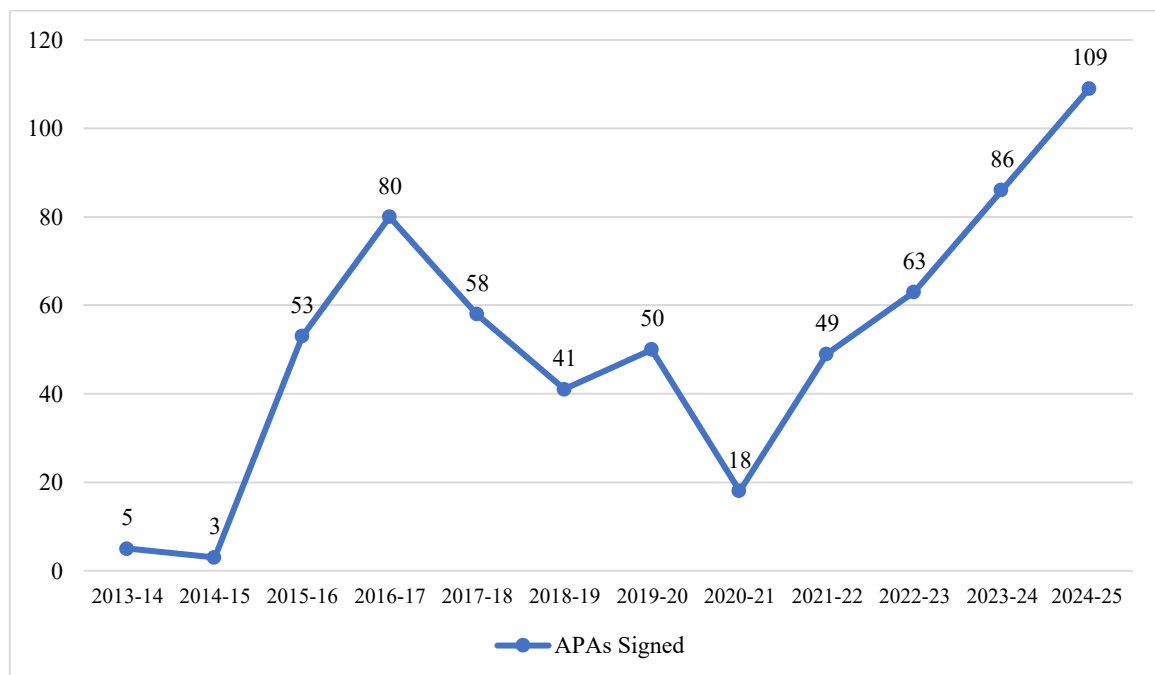
3.3 Agreements Signed – Year wise

The number of UAPA agreements signed in various years are detailed in Table 3-3 and Figure 3-3. In FY 2024-25, the 109 agreements entered have provided tax certainty for 524 APA years and 76 rollback years. A total of 31 APAs out of the 109 signed, also had a rollback term.

Table 3-3 UAPAs signed

FY	Agreements Signed
2013-14	5
2014-15	3
2015-16	53
2016-17	80
2017-18	58
2018-19	41
2019-20	50
2020-21	18
2021-22	49
2022-23	63
2023-24	86
2024-25	109
Total	615

Figure 3-3 UAPAs signed



3.4 Duration of Processing

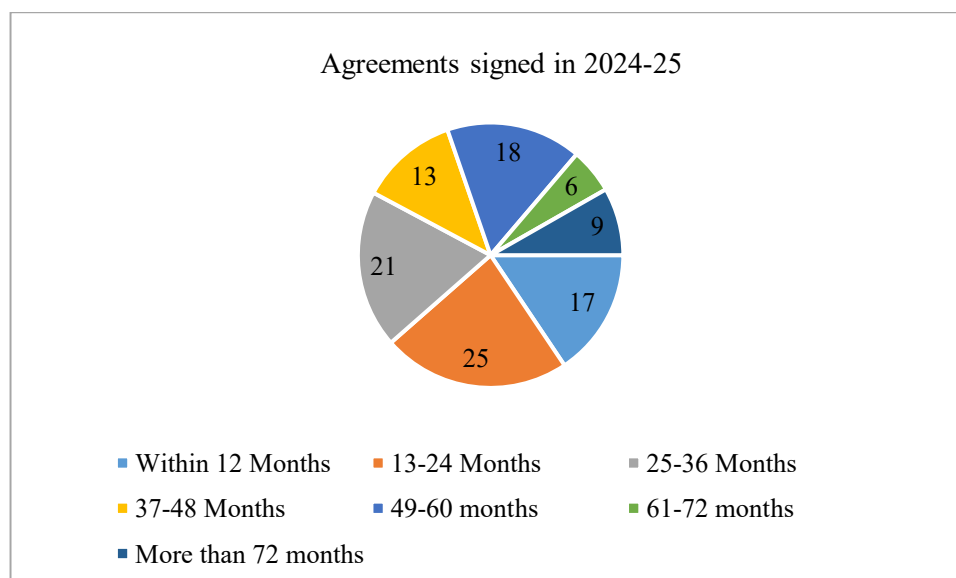
The number of UAPAs signed in FY 2024-25 segregated on the basis of duration taken from application to signing are mentioned in Table 3-4-1 below. It is seen that the average duration for closure of applications in FY 2024-25 is approximately 42.84 months. The average duration of processing on a

cumulative basis is approximately 45.41 months. In the recent years, one of the focus areas of the APA programme has been closure of backlog as well as more complex cases pending for a longer duration. Some of these cases have already been pending for a long time, and are largely responsible for pushing the average resolution time upwards. However, it can also be observed from the table below, that approximately 40% of cases were resolved this year within 2 years, indicating the trend that we hope to see in coming years.

Table 3-4-1 Duration of processing of UAPAs in FY 2024-25

Duration of processing	FY 2024-25
Within 12 Months	17
13-24 Months	25
25-36 Months	21
37-48 Months	13
49-60 months	18
61-72 months	6
More than 72 months	9
Total	109

Figure 3-4-1 The duration taken in processing and negotiation of UAPAs signed in FY 2024-25

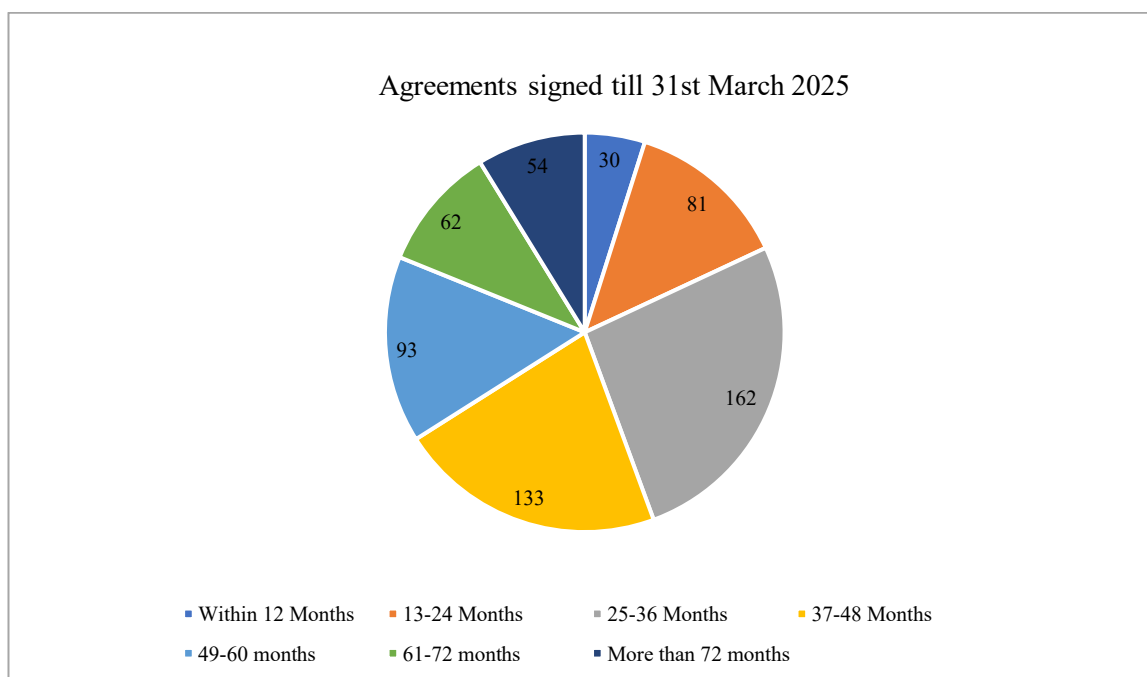


The cumulative data on period of processing of all UAPAs signed till 31st March, 2025, is presented in Table 3-4-2 and Figure 3-4-2 hereunder:

Table 3-4-2 Cumulative data on period of processing for UAPAs signed till March 2025

Duration of processing	Agreements signed till 31 st March 2025
Within 12 Months	30
13-24 Months	81
25-36 Months	162
37-48 Months	133
49-60 months	93
61-72 months	62
More than 72 months	54
Total	615

Figure 3-4-2 The duration taken in processing and negotiation of UAPAs signed till March 2025



3.5 Sectoral distribution of applicants

The primary economic activity of Applicants in whose cases UAPAs were signed in FY 2024-25 are mentioned in Table 3-5 below. As can be seen, a majority of applications which culminated into agreement in FY 2024-25 pertain to the service sector. A majority of these, in turn, are captive companies involved in software development and IT enabled services. Some of these companies are also involved in engineering design services, contract R&D services, and Knowledge Process Outsourcing (KPO). It may be noted that 30 out of the 109 companies with which CBDT entered into agreements also have manufacturing activities. Further, 42 out of 109 companies are involved in trading activities. Hence, the entire spectrum of trading, manufacturing, and services are covered under UAPAs signed.

Table 3-5 Number of UAPAs signed in FY 2024-25

Sr. No.	Economic Activity	Agreements signed
1	Services	61
2	Manufacturing & Trading	10
3	Trading & Service	8
4	Manufacturing, trading & Service	14
6	Trading	10
7	Manufacturing and Service	4
8	Manufacturing	2
	Total	109

3.6 Industry-wise distribution of agreements

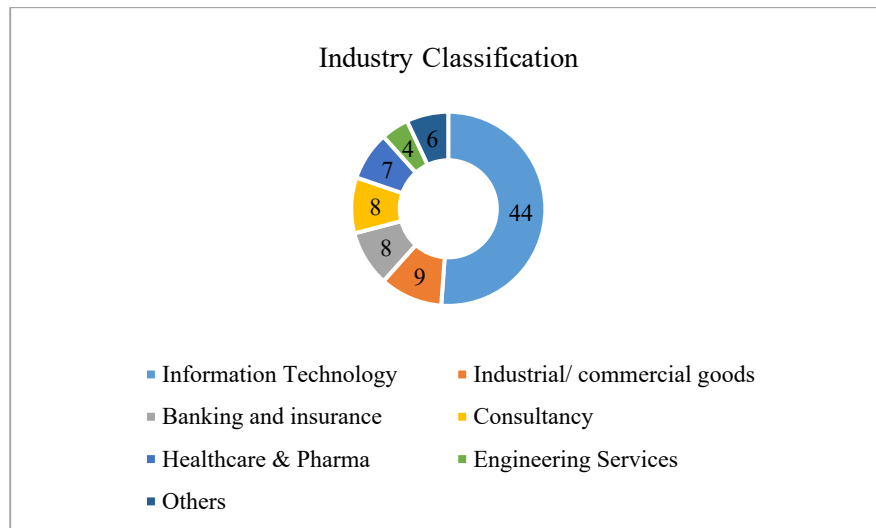
A majority of UAPAs signed in the financial year 2024-25 pertain to the I-T industry, banking & insurance, engineering services, telecommunication and power and energy sectors. This reflects on the fact that India is a major outsourcing destination for information technology and business processes, and significant number of foreign MNEs have presence in I-T clusters of India such as Bengaluru, Hyderabad, Chennai, Gurgaon, and Noida. The industry-wise distribution of UAPAs is as given in Table 3-6 and Figure 3-6 below.

Table 3-6 Industry-wise distribution of UAPAs

Sr. No.	Industry	No. of Agreements Signed
1	Information Technology	44
2	Industrial/Commercial Goods	9
3	Banking & insurance	8
4	Consultancy	8
5	Healthcare	6
6	Engineering Services	5
7	Automotive	4
8	Foods & Beverages	3
9	Power & Energy	3
10	Trading & Logistics	3
11	Consumer Goods	2
12	Textile	2
13	Elevators	2
14	Providing procurement support and other support services	2
15	Pharmaceutical	1
16	Telecommunication	1
17	Paints & chemical	1
18	Gas Analyser systems	1
19	Environment , Urban Development, Master Planning, Mining, Oil & Gas	1

Sr. No.	Industry	No. of Agreements Signed
20	Marketing support services	1
21	Oil & Gas	1
22	Grading and Laboratory Services	1
	Total	109

Figure 3-6 Industries that UAPAs signed in FY 2024-25 pertain to



3.7 Nature of Transactions Covered

The nature of the 241 international transactions covered by the 109 UAPAs signed in FY 2024-25 are mentioned in Table 3-7 and Figure 3-7 below. As can be seen from the table, a wide variety of transactions have been covered by the UAPAs signed in this year. A diversified basket of international transactions indicates the growing maturity of the APA programme and competence of the APA teams in processing applications that include complex transactions.

While captive services like SWD services and ITeS services are usually benchmarked at cost plus mark-up under the Transactional Net Margin Method (TNMM), the determination of arm's length price for manufacturing, royalty transactions, IGS, etc. is more intricate. Some complex transactions need to be benchmarked using multiple methods (a primary method and a secondary method for sanity check).

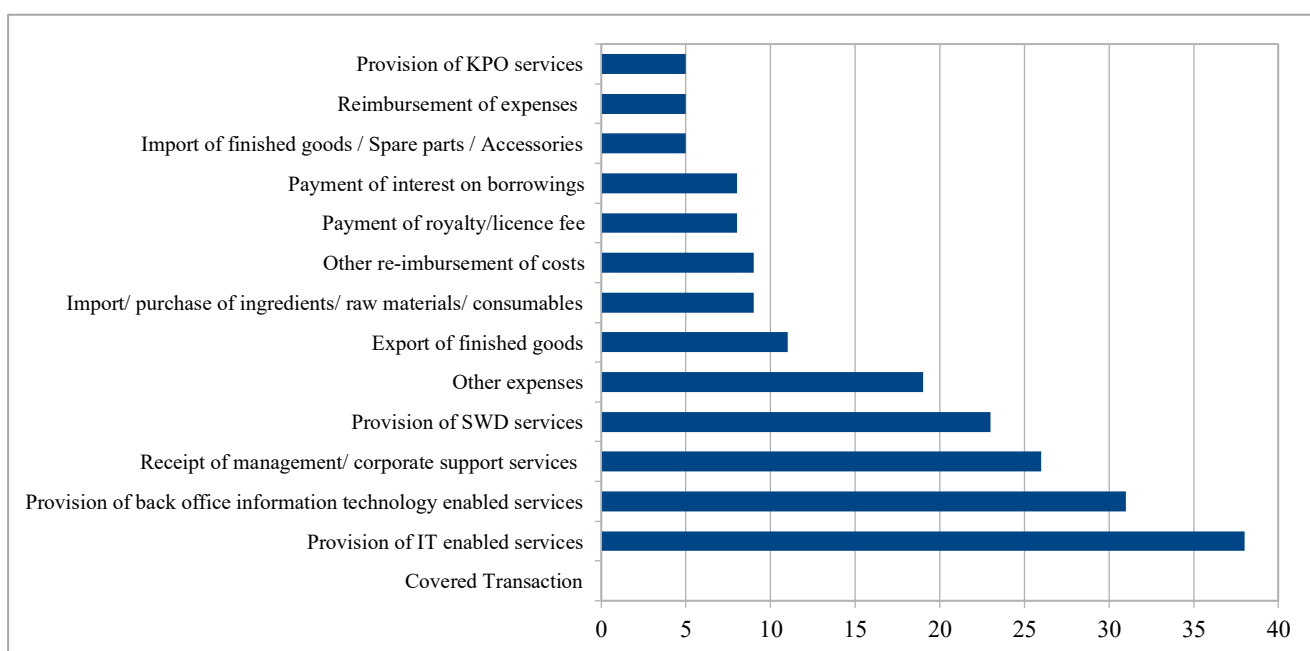
Table 3-7 Nature of international transactions covered by UAPAs signed

Sr. No.	Covered Transaction	Total No. of Transactions
1	Provision of IT enabled services	38
2	Provision of back office information technology enabled services	31
3	Receipt of management/ corporate support services	26

Sr. No.	Covered Transaction	Total No. of Transactions
4	Provision of SWD services	23
5	Other expenses	19
6	Export of finished goods	11
7	Import/ purchase of ingredients/ raw materials/ consumables	9
8	Other re-imbursement of costs	9
9	Payment of royalty/licence fee	8
10	Payment of interest on borrowings	8
11	Import of finished goods / Spare parts / Accessories	5
12	Reimbursement of expenses	5
13	Provision of KPO services	5
14	Recovery of expenses	4
15	Provision of Marketing Support services	4
16	Provision of Marketing	4
17	Receipt of transportation operation centre services	4
18	Payment of professional fee	3
19	Account receivable arising out/advance received /paid	3
20	Export/sale of finished goods/products	2
21	Provision of engineering design services	2
22	Provision of marketing/consultancy services	2
23	Provision of non-binding investment advisory service /related support services	2
24	Receipt of license fee	2
25	Provision of back-office support services	2
26	Intercompany receivables/payable	2
27	Licensing and sale of new injectable products	2
28	Trade Payable/receivable	2
29	Payment for IT charges/IT services	1
30	Provision of IT support services	1
31	Provision of technical support services	1
32	Purchase of online advertisement space and enterprise products	1
33	Purchase of LNG	1
34	Issuance of corporate guarantee	1
35	Provision of non-binding investment research services	1
36	Rendering of IT Support Services	1
37	Rendering of Corporate Research Services	1
38	Payment of corporate allocation charges	1
39	Payment of corporate and administrative service charges	1
40	Provision of Research Support Services ('RSS')	1
41	Availing of grading services	1

Sr. No.	Covered Transaction	Total No. of Transactions
42	Availing of management services	1
43	Provision of investment advisory services	1
44	Provision of guarantee for loans taken and bonds	1
45	Provision of software development and support services	1
46	Import of components and consumables	1
47	Payment of charter charges	1
48	Provision of EDS	1
49	Payment of commercial Borrowing	1
50	Guarantee based on counter guarantee	1
51	On call repair income	1
52	Provision of coordination support and liasoning services	1
53	Provision of contract engineering and consultancy (E&C services)	1
	Total	262

Figure 3-7 Nature of international transactions covered by the signed UAPAs



3.8 Transfer Pricing Methodologies Used

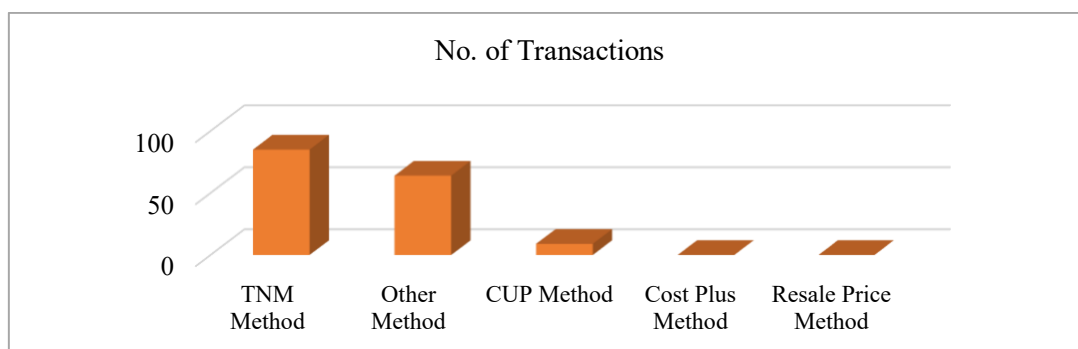
A total of 262 transactions were benchmarked using 5 different methods, across the 109 UAPAs signed in the financial year. The various methods are given in Table 3-8 and Figure 3-8 below.

Table 3-8 TP methods used to benchmark international transactions

Sr. No	TP Methodology	No. of Transactions
1	TNM Method	172
2	Other Method	81

Sr. No	TP Methodology	No. of Transactions
3	CUP Method	9
4	Cost Plus method	0
5	Resale Price Method	0
	Total	262

Figure 3-8 Methods used to benchmark transactions in UAPA agreements



3.9 Location of AEs

The 109 UAPAs entered into in the financial year have AEs across 91 countries, as given in Table 3-9 below. Usually, a single APA covers AEs located in multiple jurisdictions. The transactions with these AEs could be the primary covered international transaction, or a closely linked transaction like reimbursement/recovery of expenses, etc. In a majority of cases, AEs are located in the United States, the United Kingdom, France, Germany, etc. The APA applicants are usually a part of MNE groups, whose parent jurisdictions are in these countries. Many AEs are also located in investment and business hubs such as Singapore, Hong Kong, and Ireland.

Table 3-9: Location of AEs

Sr No.	Countries	No. of agreements
1	USA	41
2	UK	37
3	Singapore	32
4	Australia	18
5	China	17
6	Germany	17
7	Hong Kong	16
8	Netherlands	16
9	UAE	16
10	Japan	14
11	Canada	14
12	Switzerland	13

Sr No.	Countries	No. of agreements
13	Malaysia	12
14	France	11
15	Taiwan	11
16	Ireland	10
17	Italy	10
18	Sweden	10
19	Belgium	9
20	Thailand	9
21	Spain	9
22	New Zealand	7
23	Luxembourg	7
24	Vietnam	7
25	Indonesia	6
26	Philippines	6
27	Romania	6
28	South Korea	5
29	Poland	5
30	Mexico	5
31	Saudi Arabia	5
32	Austria	5
33	Qatar	5
34	South Africa	4
35	Hungary	4
36	Czech Republic	4
37	Mauritius	4
38	Bahrain	4
39	Greece	4
40	Finland	3
41	Denmark	3
42	Argentina	3
43	Russia	3
44	Bermuda	3
45	Sri Lanka	3
46	Brazil	2
47	Chile	2
48	Dubai	2
49	Israel	2
50	Cyprus	2
51	Oman	2
52	Slovakia	2

Sr No.	Countries	No. of agreements
53	Senegal	2
54	Bangladesh	2
55	Bulgaria	2
56	Portugal	1
57	Guernsey	1
58	Turkey	1
59	Cayman Islands	1
60	Morocco	1
61	Estonia	1
62	Jersey	1
63	Pakistan	1
64	Republic of Marshall Islands	1
65	British Virgin Islands	1
66	Kuwait	1
67	India	1
68	Bangkok	1
69	Algeria	1
70	Benin	1
71	Burkina Faso	1
72	Cameroon	1
73	Congo	1
74	Cote D'Ivoire	1
75	Equatorial Guinea	1
76	Isle Of Man	1
77	Ivory Coast	1
78	Madagascar	1
79	Mauritania	1
80	Mozambique	1
81	New Caledonia	1
82	Tchad	1
83	Gibraltar	1
84	Ghana	1
85	French/ Polynesia	1
86	Lithuania	1
87	Istanbul	1
88	Costa Rica	1
89	Cambodia	1
90	Colorado	1
91	Slovenia	1

4. Renewal of UAPAs

A large number of the Applicants who have signed a UAPA with the CBDT have opted to file a renewal. This shows the trust reposed by the taxpayers in the APA programme and the preference for obtaining advance certainty rather than undergoing possible TP litigation and its related costs. In FY 2024-25 alone, 71 out of the 109 UAPAs signed were renewal cases. The average time taken for resolution of these UAPAs for FY 2024-25 was 35.76 months.

Chapter 4: Bilateral APAs

4.1 Applications Filed

BAPA applications filed in various years and UAPA applications filed in various years but subsequently converted into BAPA applications are detailed in Table 4-1. This financial year has also seen a rise in BAPA filings, with 90 new applications being received, a record number by itself. This demonstrates the trust reposed in the bilateral process by our taxpayers, and reflects deeper relationships with our treaty partners, leading to rise in resolutions.

Table 4-1 Number of BAPA applications filed

FY	Applications (Original)	Applications (After Conversions)
2012-13	29	37
2013-14	26	39
2014-15	14	30
2015-16	17	24
2016-17	24	25
2017-18	53	52
2018-19	47	47
2019-20	53	50
2020-21	33	33
2021-22	35	35
2022-23	77	77
2023-24	78	78
2024-25	90	91
Total	576	618

4.2 Country-wise Distribution of applications

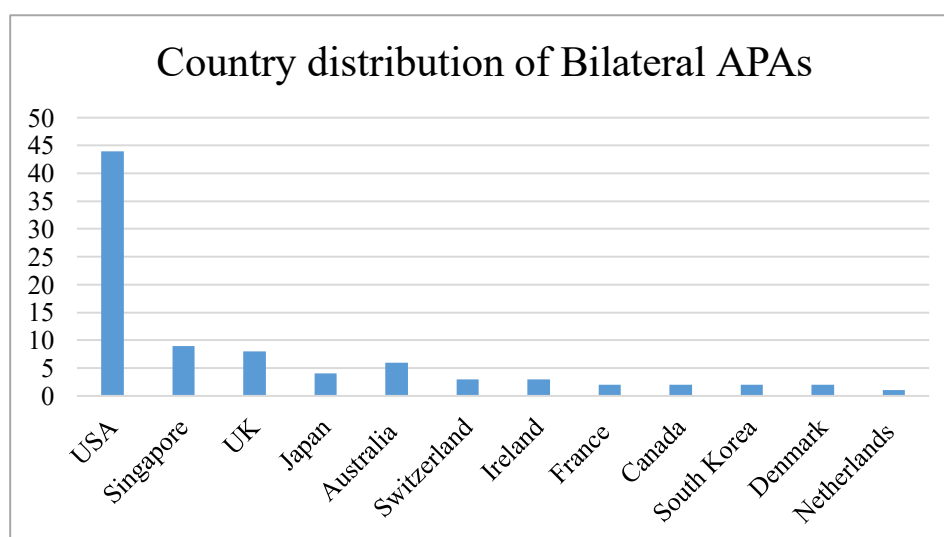
The country-wise distribution of BAPA applications is detailed in Table 4-2 and Figure 4-2. Almost half of the BAPA applications are with one treaty partner, i.e., the United States of America. Other treaty partners with whom large number of applications have been filed in FY 2024-25 are Singapore, UK, Australia and others.

Table 4-2 Country-wise distribution of BAPAs

Countries	Applications filed in FY 2024-25
USA	43
Singapore	9
UK	8
Australia	6

Countries	Applications filed in FY 2024-25
Japan	4
Switzerland	3
Ireland	3
France	2
Canada	2
South Korea	2
Denmark	3
Netherlands	1
New Zealand	1
Israel	1
Italy	1
Belgium	1
Total	90

Figure 4-2 Major countries to which BAPA applications filed in FY 2024-25 pertain



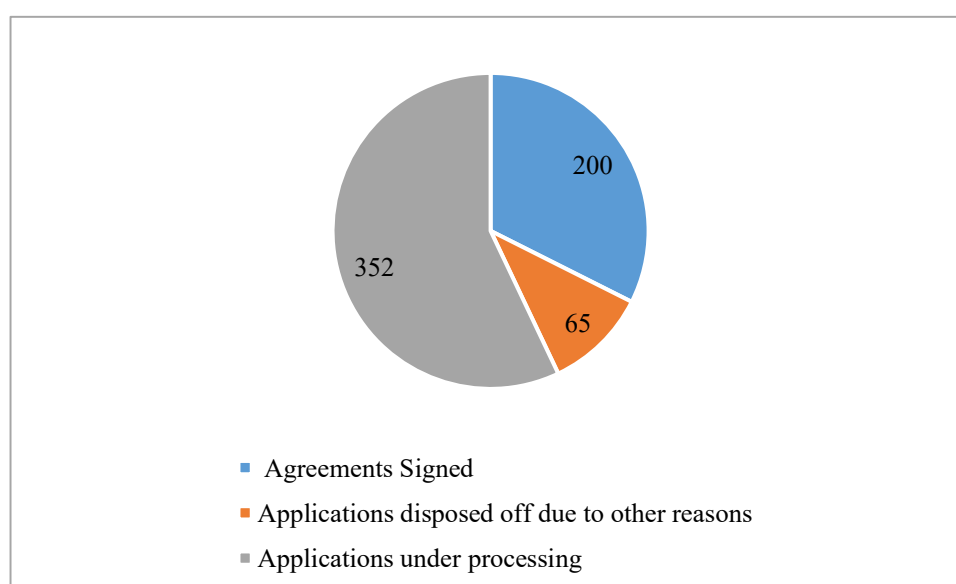
4.3 Status of Applications Filed

The status of applications filed is shown in Table 4-3 below. Out of a total 618 applications filed by 31st March 2025, a total of 265 applications have been disposed and 353 applications are under processing. A comparison of status of applications signed, disposed and those under processing for the BAPA applications filed till FY 2024-25 (as on 31st March, 2025) is presented in Figure 4-3.

Table 4-3 Status of BAPA applications filed

Sr. No.	FY	Applications Filed (Post Conversion)	Agreements Signed	Applications disposed off due to other reasons	Applications under processing
		A	B	C	D = A – B – C
1	2012-13	37	26	9	2
2	2013-14	39	13	14	12
3	2014-15	30	19	6	5
4	2015-16	24	11	8	5
5	2016-17	25	11	3	11
6	2017-18	52	22	6	24
7	2018-19	47	26	5	16
8	2019-20	50	21	1	28
9	2020-21	33	14	4	15
10	2021-22	35	3	2	30
11	2022-23	77	14	0	63
12	2023-24	78	13	3	62
13	2024-25	91	7	4	80
Total		618	200	65	353

Figure 4-3 Status of BAPA applications filed till FY 2024-25, as on 31st March 2025



In the 200 BAPAs signed so far, CBDT has provided tax certainty for 1015.5 assessment years. These 1015 years include 257 years covered under the Rollback period of the concluded APAs. Out of the 200 Agreements, 87 have Rollback provisions. **In FY 2024-25, the 65 BAPAs (including MAPA) entered into have provided tax certainty for a total of 370 years in India as well as the treaty partner jurisdiction.** Of these 65 BAPAs (including MAPA), 19 BAPAs have Rollback period of 46 years.

4.4 Country wise status of application filed (post conversion)

The country-wise status of BAPA applications filed is shown in Table 4-4 and Figures 4-4-1 and 4-4-2 below. More than 70% of the total BAPA applications that are still under processing, are with 6 countries – the USA, the UK, Japan, Germany, Switzerland and Singapore. The maximum number of BAPAs signed so far have been with the USA followed by UK and Japan.

Table 4-4 Status of applications filed

Sr. No.	Country	Applications Filed	Agreements Signed	Applications disposed off due to other reasons	Applications under Processing
		A	B	C	D = A – B – C
1	USA	288	108	24	156
2	UK	88	25	24	39
3	Japan	49	25	2	22
4	Germany	16	0	0	16
5	Switzerland	25	6	1	18
6	Singapore	31	11	4	16
7	Sweden	12	0	2	10
8	Finland	15	3	1	11
9	*South Korea	13	4	1	8
10	France	10	0	1	9
11	Canada	8	1	0	7
12	Ireland	9	0	1	8
13	Australia	15	6	0	9
14	*The Netherlands	12	3	4	5
15	*Denmark	13	7	0	6
16	Luxembourg	2	0	0	2
17	Italy	3	0	0	3
18	New Zealand	2	1	0	1
19	China	1	0	0	1
20	Czech Republic	1	0	0	1
21	Belgium	2	0	0	1
22	Indonesia	1	0	0	1
23	Austria	1	0	0	1
24	Israel	1	0	0	1
	Total	618	200	65	353

**reconciliation with existing data*

Figure 4-4-1 BAPAs signed

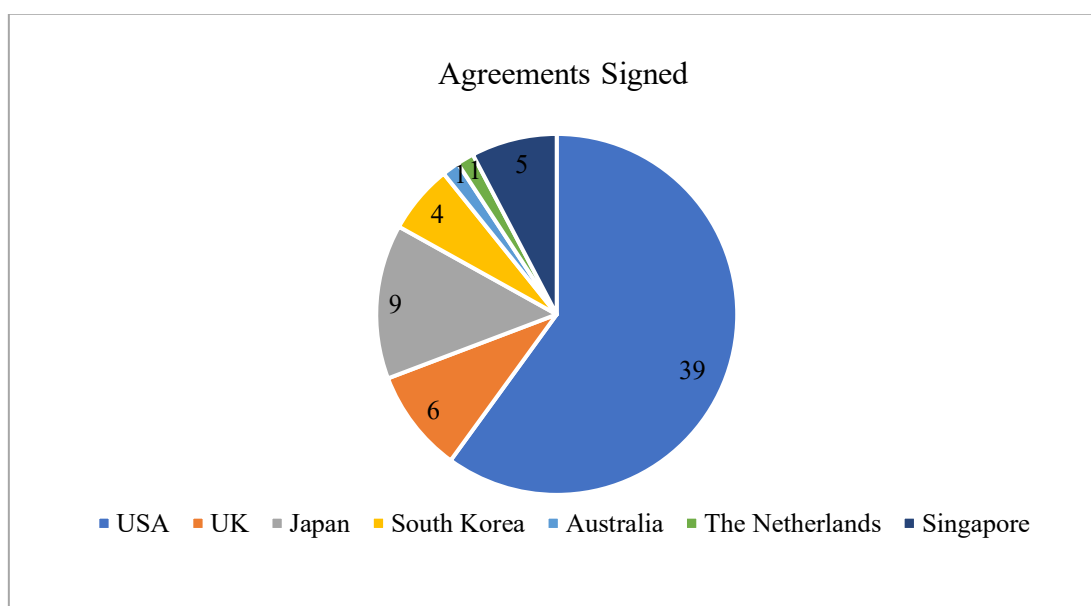
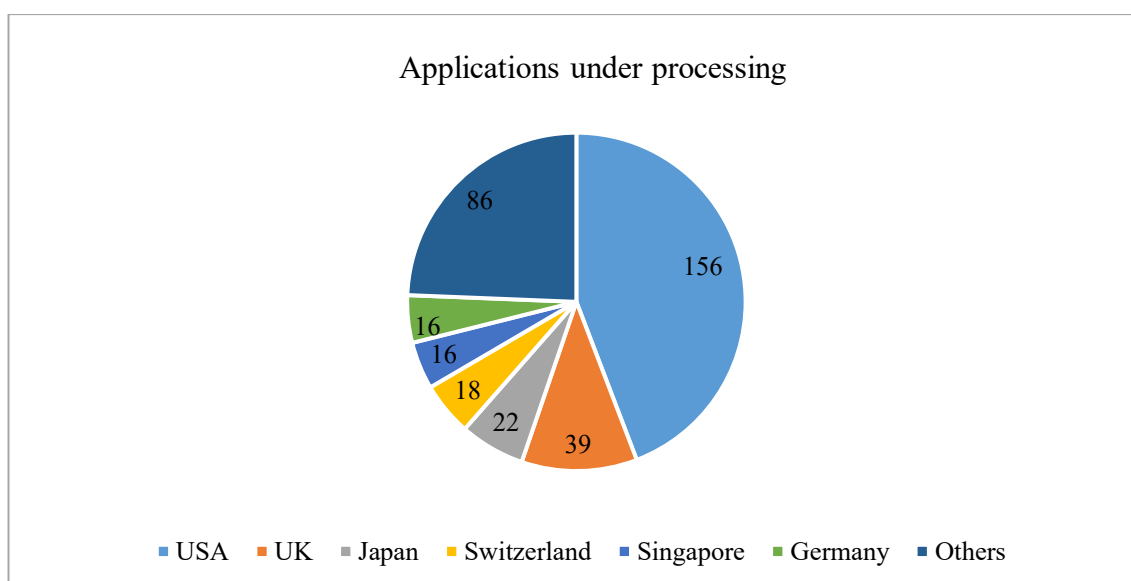


Figure 4-4-2 BAPA applications under processing



4.5 Agreements Signed – Year wise

The Table 4-5 and Figure 4-5 below show the year-wise details of BAPAs entered into till 31st March, 2025. As can be seen below, an increase of more than 66% in signing of BAPAs was achieved in FY 2024-25. Further, it can be seen that there is a steady increase in the signing of BAPA's year on year basis indicating confidence in our resolutions with our treaty partners. This was made possible by the increasing frequency of communication with treaty partners, streamlined efforts by officers, and the growing maturity of the APA programme.

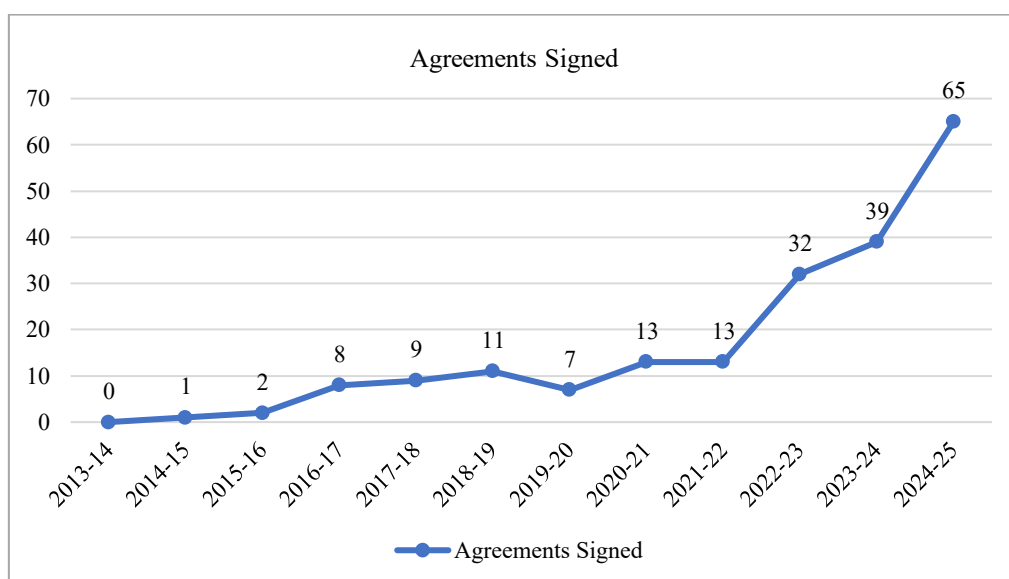
In FY 2024-25, out of the 65 Agreements signed with taxpayers, 39 pertained to the USA, 9 to Japan, 6 to UK, 5 to Singapore, 4 to South Korea and 1 each to New Zealand and Australia.

Table 4-5 Year-wise BAPAs signed

FY	Agreements Signed
2013-14	0
2014-15	1
2015-16	2
2016-17	8
2017-18	9
2018-19	11
2019-20	7
2020-21	13
2021-22	13
2022-23	32
2023-24	39
2024-25	*65
Total	200

**includes one MAPA*

Figure 4-5 Year-wise BAPAs signed



4.6 Duration of Processing

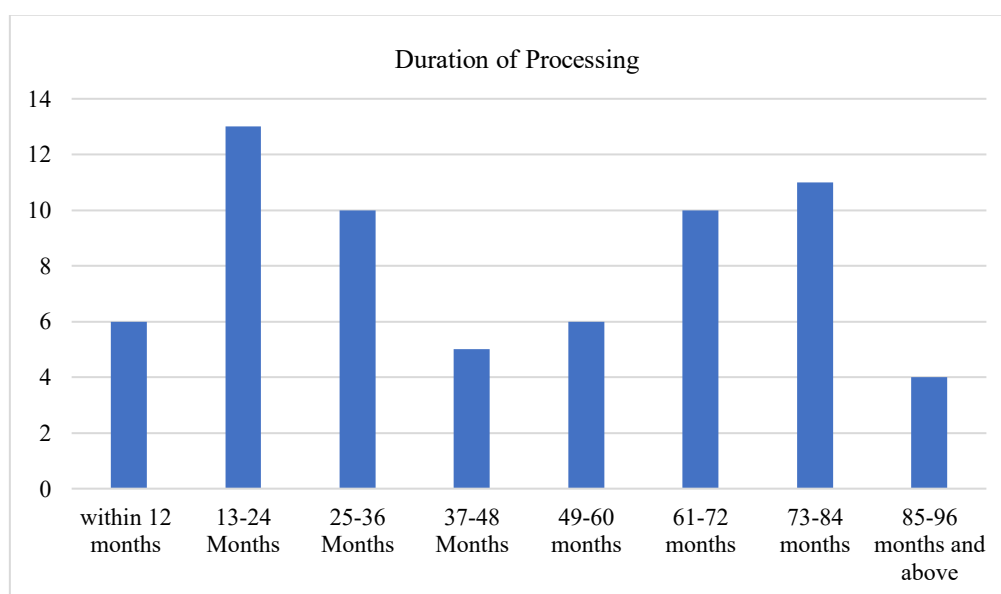
In FY 2024-25, the average time taken to conclude BAPAs has been approximately 50.18 months. The detailed analysis of this is depicted in Table 4-6-1 and Figure 4-6-1 below. With intense negotiations with treaty partners, some of the longstanding BAPAs were successfully concluded in this year, but the longer time taken in their resolution shifted the average processing time for the year upwards. There was also a simultaneous focus on more expedient resolution, particularly of renewals by leveraging the due diligence already done recently while processing original applications. The average time taken for all BAPAs concluded till 31st March, 2025 is approximately 58.90 months. One of the major causes of

delay is the time taken in scheduling of Competent Authority meetings. Typically, most Competent Authorities are dealing with several treaty partner jurisdictions, and are constrained in giving dates for the meetings. Here, it may also be worth noting that a number of BAPAs are actually resolved much before they are finally signed. However, due to several reasons such as the desire of the Applicant to conclude both the unilateral and bilateral legs of the application together, as well as multiple levels of internal approvals required within their organization, often adds several months, sometimes more than a year before a formal signing can take place. Thus, while the substantial discussions and resolutions are at the Competent Authority level, the formal signing takes longer even after bilateral resolution, which increases the final duration of processing of BAPAs.

Table 4-6-1 Duration of processing of BAPA applications

Sr. No.	Duration of processing	No. of Agreements signed during FY 2024-25
1	Within 12 Months	6
2	13-24 Months	13
3	25-36 Months	10
4	37-48 Months	5
5	49-60 months	6
6	61-72 months	10
7	73-84 months	11
8	85-96 months and above	4
	Total	65

Figure 4-6-1 Duration of processing of all BAPAs and MAPA signed during FY 2024-25

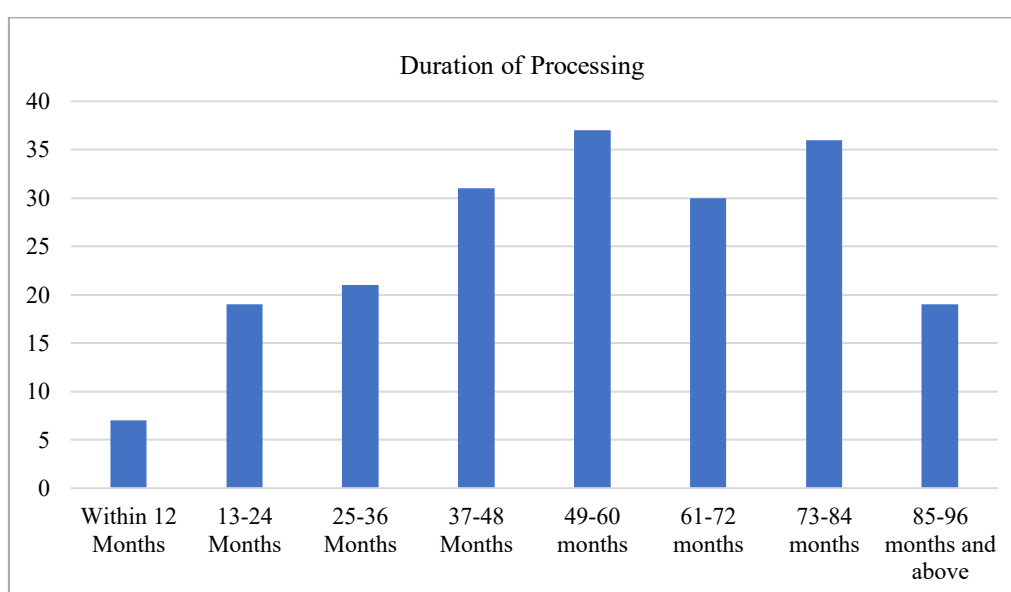


The cumulative figures for duration of processing of all BAPAs signed till 31st March 2025 are given in Table 4-6-2 and Figure 4-6-2 hereunder:

Table 4-6-2 Cumulative figures for duration of processing of BAPAs

Duration of processing	Agreements signed till 31st March 2025
Within 12 Months	7
13-24 Months	19
25-36 Months	21
37-48 Months	31
49-60 months	37
61-72 months	30
73-84 months	36
85-96 months & above	19
Total	200

Figure 4-6-2 Duration of processing of all BAPAs signed till 31st March 2025



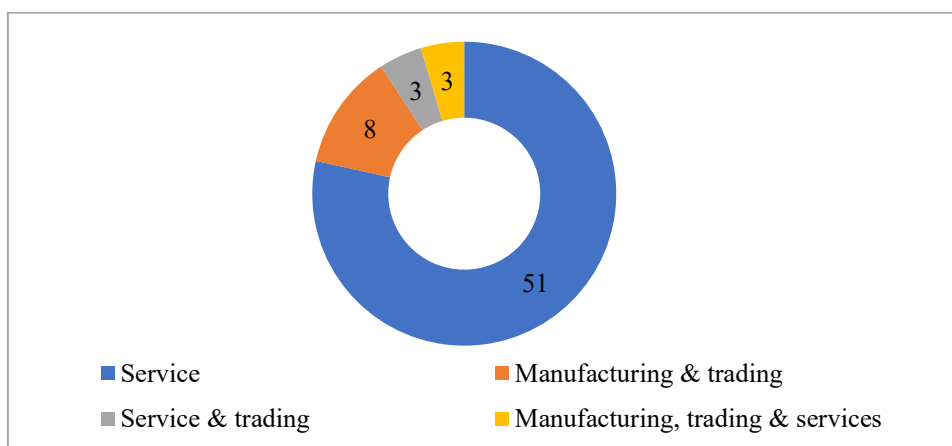
4.7 Distribution of agreements –Economic Activity wise

Table 4-7 and Figure 4-7 below capture the data regarding the economic activity or the pre-dominant economic activity in each of the BAPAs entered into during FY 2024-25. As in UAPAs, the service sector of the Indian economy has been the dominant sector that has been covered in BAPAs.

Table 4-7 Distribution of BAPAs as per economic activity

Sr. No	Economic Activity	Agreements Signed in FY 2024-25
1	Service	51
2	Manufacturing, trading & services	8
3	Service & trading	3
4	Manufacturing & service	3
	Total	65

Figure 4-7 Economic activity distribution of BAPAs signed in FY 2024-25



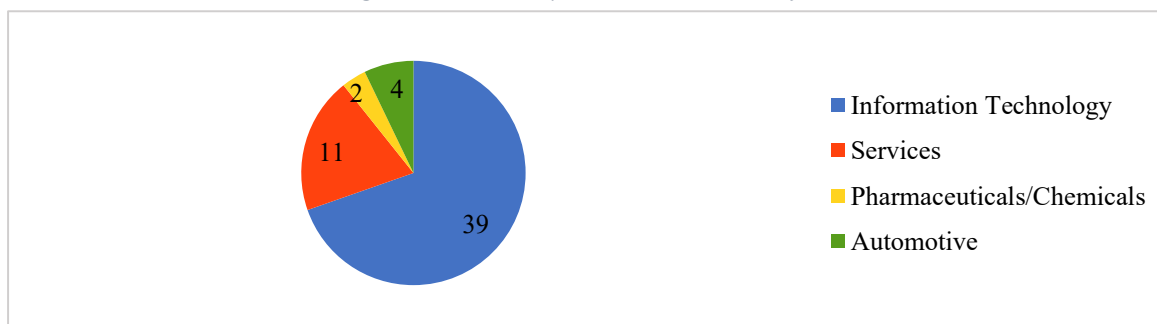
4.8 Distribution of Agreements – Industry-wise

Table 4-8 and the Figure 4-8 below reveal that there are four broad industry categories that have been covered under BAPAs concluded in FY 2024-25. The Information Technology industry is the leading industry when it comes to being a part of the APA programme.

Table 4-8 Industry-wise distribution of BAPAs signed in FY 2024-25

Sr. No	Industry	No. of Agreements Signed
1	Information Technology/ITES	39
2	Services	11
3	Pharmaceuticals/Chemicals	2
4	Automotive	4
5	Telecommunications	1
6	Real estate	1
7	Consumer goods	3
8	Iron and steel	3
9	Financial services	2
10	Music and audio equipment	1
	Total	65

Figure 4-8 Industry-wise distribution of BAPAs



4.9 Nature of Covered Transactions

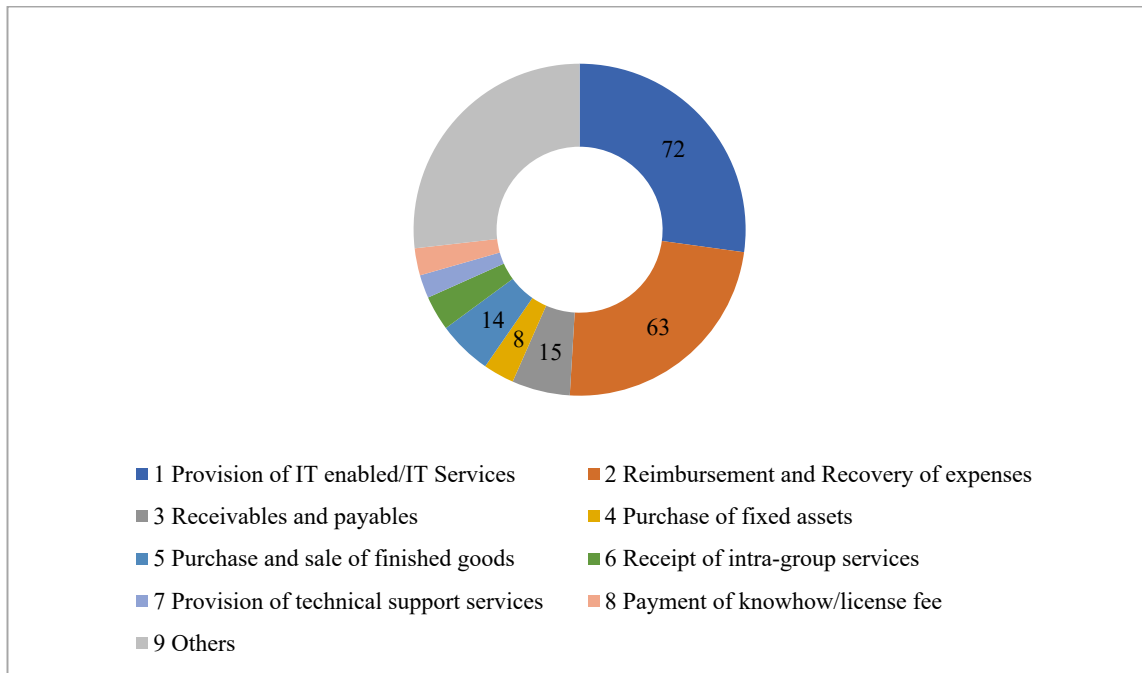
During FY 2024-25, the 65 BAPAs entered into had a total of 265 covered international transactions as depicted in Table 4-9 and Figure 4-9. As can be seen, a wide variety of transactions have been covered by the APAs signed in the year. Service-related transactions continue to lead in the transaction mix.

Table 4-9 Nature of covered transactions

Sr. No.	Nature of Transactions	No. of Transactions
1	Provision of Software development services ("SWD")	33
2	Provision of IT and Information technology enabled services ("ITeS");	39
3	Receipt of support services;	2
4	Recovery and reimbursement of expenses to AEs;	63
5	Cross charge of expenses;	1
6	Purchase of Fixed assets;	8
7	Trade receivables and payables, advances.	15
8	Purchase of spare parts/consumables/components from/to	1
9	Provision of Product development/technology support services	2
10	Import of any equipment free of cost for undertaking testing activities	1
11	Reimbursement of Employee Stock Purchase Plan ("ESPP") and Restricted Stock Units ("RSUs") expenses to	1
12	Provision of Marketing support services ("MSS");	3
13	Provision of post-sales hardware technical support services ("TSS");	1
14	Provision of web/online marketing support services;	1
15	Provision of knowledge process outsourcing services	2
16	Provision of manpower services	1
17	Bank Charges	2
18	Employee Stock option plans ("ESOP")	2
19	Free of cost assets	2
20	Distribution transaction consisting of payment towards purchase of software products	1
21	Provision of technical support services	6
22	Payment of global cost charges	2
23	Sale of manufactured goods	1
24	Provision of design engineer services	4
25	Provision of sourcing support services	1
26	Unbilled/uncleared revenue	2
27	Provision of Back-office support services	1
28	Free of cost share-based compensation to employees	3
29	Contract manufacturing for export	2
30	Payment for use of Electronic Design Automation tools and IT Support charges	1
31	Payment towards seconded employee cost	1
32	Sub-leasing of equipment	1

Sr. No.	Nature of Transactions	No. of Transactions
33	Receipt of IT/ITES	1
34	Receipt of intra group services/other services	9
35	Payment of know how/licence fee	7
36	Purchase and sale of finished goods	14
37	Receipt of subvention income/support	1
38	Import of raw materials	3
39	Availing of technical services	1
40	Purchase of software, telecommunication equipment	1
41	Provision of procurement support services	1
42	Provision of sale support service	5
43	Payment of loan guarantee fee	4
44	Payment of services fee	4
45	Business support and business facilitation service	2
46	Sales of raw materials	1
47	Support and liasoning services	1
48	Commission income	4
	Total	265

Figure 4-9 Frequency of covered transactions



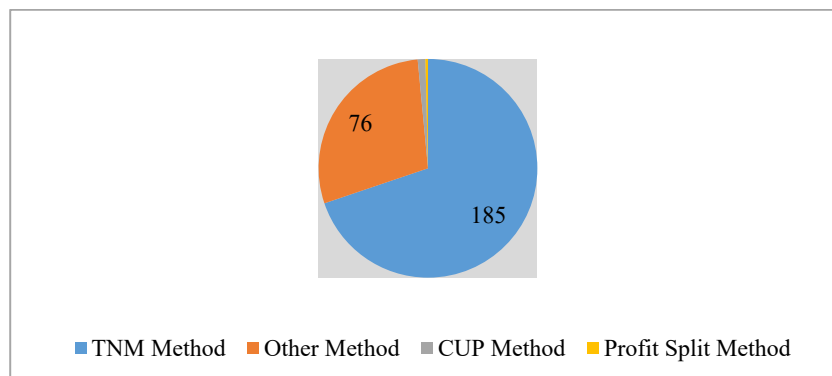
4.10 Transfer Pricing Methodology adopted

Table 4-10 and Figure 4-10 below shows a break up of Transfer Pricing Methodologies adopted in the signed cases.

Table 4-10 Frequency of usage of TP methods

Sr. No	TP Methodology	No. of Transactions
1	TNM Method	185
2	Other Method	76
3	CUP Method	3
4	Profit Split Method	1
	Total	265

Figure 4-10 Frequency of usage of various TP methods to benchmark covered transactions in BAPA



4.11 Renewal of BAPAs

A large number of the Applicants who have signed a BAPA with the CBDT have opted to file a renewal. This shows the trust reposed by the taxpayers in the APA programme and the preference for obtaining advance certainty rather than undergoing possible TP litigation and its related costs. Out of the 200 BAPAs signed till 31.03.2025, 93 applicants have opted for a renewal of the APA till date. In FY 2024-25 alone, 27 out of the 65 BAPAs signed were renewal cases.

Chapter 6: Way forward

The signing of an increasing number of Bilateral as well as Unilateral APAs shows the faith reposed by taxpayers in the APA programme. A large part of the credit of the success of this programme is dedicated to the proactive taxpayers displaying a willingness for resolution of APAs.

At this juncture, it is important however to also re-evaluate on how the programme can be optimised and the procedures be streamlined so as to resolve a higher number of APAs. It may be worthwhile to begin with the original aspirational objective of providing tax certainty to a taxpayer for 5 years in advance, apart from giving the taxpayer an option of roll-back for 4 earlier years. The process begins with filing of application, any time before the beginning of first year of APA. Currently, almost all APA applications are filed in the month of March, a few days before the APA term begins, making it virtually impossible to get an APA before the term begins. The early filing of APA application, say in April itself of the earlier year, can help to kick-start the APA process even before the APA period begins, making it a truly advanced agreement. In nearly 40% of UAPAs and nearly 30% of BAPAs, the agreement was signed within 24 months in FY 2024-25. Therefore, the APA programme can strive to provide tax certainty to taxpayers within the first APA year, i.e. before the return for the first year is filed, in such a scenario.

India has signed one of the highest number of BAPAs in FY 2024-25 since the inception of the APA programme. This has been possible because of an emerging constructive relationship between the various treaty partners in resolution of APA applications. It is also seen that information symmetry in the submissions and proactive responses by the taxpayer play an important role in closing divergent positions and arriving at common ground to resolve cases.

The APA programme of India since its inception in FY 2012-13 has started to mature with a consistent increase in the number of APAs signed in the last four years. Every passing year is a testimony to increased capacity building of all the stakeholders of the APA programme – the taxpayers, the tax consultants, APA teams and Competent Authorities. We are at a pivotal point in the APA programme to fully utilise the rich repository of knowledge and experience in the APA programme so far, thereby providing tax certainty to the taxpayers in a truly advance manner. All efforts are already being made towards this endeavour.

Chapter 7: Other dispute resolution processes

Another dispute resolution channel available under India's Double Taxation Avoidance Agreements (DTAAs) is the Mutual Agreement Procedure (MAP). It is an alternate dispute resolution process involving two treaty partners, that seeks to remove taxation not in accordance with the DTAA arising from action by one or both treaty partners. India participates in the FTA MAP Forum of the Organisation of Economic Cooperation and Development (OECD) and shares its MAP statistics with the Forum. The statistics are available in the public domain.

MAP cases are negotiated by the Competent Authorities of India, namely the Joint Secretary (FT&TR-I) and Joint Secretary (FT&TR-II) in the CBDT, and other officers in FT&TR Divisions supporting them in this regard. The inventory of MAP cases in calendar year 2024 as also reported under MAP statistics with the OECD is detailed in Table 5-1 below. As can be seen from the table, the number of MAP cases closed in 2024 are substantially more than the number of new MAP applications invoked. As a result, the total number of MAP in India's inventory is gradually reducing.

Table 5-1 MAP cases resolved in 2024

Sr.No.	Calendar Year	Opening Inventory	Invocations during the year	Closures during the year	Closing Inventory
1	2024	421	96	131	386

As can be seen from Figures 5-1 and 5-2, there has been a steady decline in the closing inventory and a substantial number of cases being resolved under MAP each year. This is primarily due to the maturing of our relationships with treaty partners and efforts to increase frequency of communication with our treaty partners.

Figure 5-1 Pendency of cases in MAP inventory from 2019 onwards

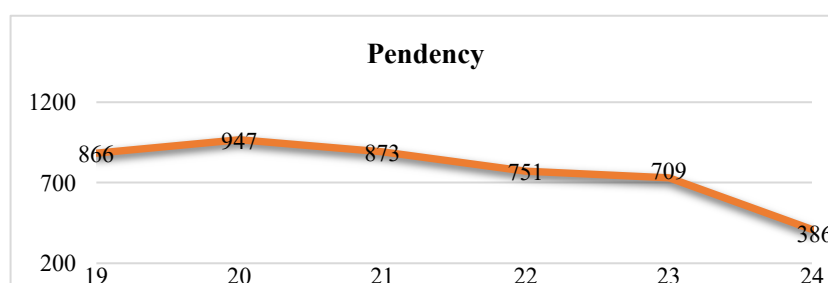


Figure 5-2 Number of MAP applications closed by India and its treaty partners from 2019 onwards



Conclusion

The Indian APA programme is a very important part of CBDT's efforts for providing tax certainty to taxpayers, and thereby enhance the ease of doing business in India. Since its commencement in July 2012, the APA programme has resolved many complex transfer pricing issues which may have otherwise witnessed long drawn and expensive litigation.

The Indian APA programme has successfully achieved resolutions that are beneficial to both taxpayers and the Government. While taxpayers have managed to get certainty over transfer pricing issues for five to nine years (depending upon whether rollback provisions are applicable to an Agreement), the Government has been able to streamline limited resources on more productive work, including audits and other procedures.

APAs are also beneficial to both taxpayers as well as the Government, as they lead to tax payments on the basis of the terms and conditions already agreed, without any further disputes and litigation. Though revenue mobilisation has never been the primary objective of the Indian APA programme, it is a positive externality flowing out from the programme that provides assured revenues to the Government of India. It is estimated that the 815 signed APAs have resulted in bringing finality in taxation to income of about *Rs. 35,000 crores. This translates into a payment of tax of about *Rs. 10,000 Crores. This is litigation-free and hence significantly cuts down the cost of compliance and costs of managing tax uncertainty for the taxpayer, while also saving costs of administration for the Government. In effect, this is a net gain for the Indian economy.

Though the APA programme has been successful in enabling a positive economic environment for multinationals doing business in India, the Government is committed to increase the efficacy of the programme further by further strengthening it with adequate measures and resources.

**estimates calculated on basis of data available on record*

