

March 05, 2018

## **CBDT ACHIEVES IMPORTANT MILESTONE OF 200 APAS<sup>1</sup>**

The Central Board of Direct Taxes (CBDT) entered into seven more Advance Pricing Agreements (APAs) during the month of February, 2018. All the seven are Unilateral APAs. With the signing of these Agreements, CBDT has crossed an important milestone of having signed 200 APAs.

The total number of APAs entered into by the CBDT till date has gone up to 203. This includes 185 Unilateral APAs and 18 Bilateral APAs. In the current financial year, the CBDT has entered into 51 APAs so far (44 Unilateral APAs and 7 Bilateral APAs).

The seven APAs signed in February pertain to the Pharmaceuticals, Automobiles, and Financial and Food & Beverages sectors of the economy. The international transactions covered in these agreements include Manufacturing, Provision of Software Development Services, Provision of IT enabled Services, Payment of Royalty, Provision of Contract R&D Services, Provision of Marketing Support Services, Distribution, AMP Expenses, Provision of Engineering Design Support Services, Provision of Sourcing Support Services, Payment of Interest, etc.

The APA provisions were introduced in the Income-tax Act, 1961 in 2012 and the “Rollback” provisions were introduced in 2014. The APA 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.

The progress of the APA scheme strengthens the Government’s resolve of fostering a non-adversarial tax regime. The Indian APA programme has been appreciated nationally and internationally for being able to address complex transfer pricing issues in a fair and transparent manner. It has contributed significantly towards improving the ease of doing business in India.

## **DATE FOR FILING REFUND CLAIMS IN THE MATTER OF PACL LIMITED EXTENDED<sup>2</sup>**

Justice (Retd.) R. M. Lodha Committee, vide press release dated January 02, 2018 had communicated the initiation of the refund process to the investors of PACL from the monies so far collected by it. The last date for submission of claim applications under the present refund process is February 28, 2018.

The Committee has received representations and applications from various investors requesting it to extend the deadline for receipt of claim applications from investors.

In light of the above, the Committee has decided to extend the last date of receipt of applications from February 28, 2018 to March 31, 2018. It is, however, emphasised that all other terms and conditions of the present refund process as provided in the press release of January 02, 2018 shall remain unchanged.

### **Team ICSI**

*Disclaimer : The information in the Info Capsules is developed according to the information available in public domain and for academic purposes only. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.*

<sup>1</sup> Available at: <http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1522229>

<sup>2</sup> Available at: [https://www.sebi.gov.in/media/press-releases/feb-2018/date-for-filing-refund-claims-in-the-matter-of-pacl-limited-extended\\_38031.html](https://www.sebi.gov.in/media/press-releases/feb-2018/date-for-filing-refund-claims-in-the-matter-of-pacl-limited-extended_38031.html)