

## POSITIVE OUTCOME OF APA SCHEME

While the scheme of Advance Pricing Agreement (#APA) has been around since 2012, only a few APAs were signed in the initial two years. The current government is keen to push forth this initiative as it builds confidence among Taxpayers and reduces time wasted on litigations. However, for the taxpayer adopting, it is a straight cost benefit analysis i.e. pre-application evaluation costs, application process time, other associated costs and subsequent compliance costs vs. relief from long winded Transfer pricing scrutinies etc... Presently, the time-line to complete the APA process takes about one and half year to three years. In reducing this time lag, and making the process straightforward, lies the success of the scheme.



Authored by: Pinnapati Ramaiah Jayakumar, Practice Head, Bengaluru