

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**RESOLUTION OF MORE THAN 100 CASES OF TRANSFER PRICING DISPUTES  
WITH USA UNDER MAP**

**New Delhi, January 28, 2016**

**Magha 8, 1937**

One of the significant steps taken by Central Board of Direct Taxes (CBDT) to boost investment sentiments among MNCs is the landmark Framework Agreement signed with the Revenue Authorities of USA in January, 2015. This agreement was finalised under the Mutual Agreement Procedure (MAP) provision contained in the India-USA Double Taxation Avoidance Convention (DTAC). The agreement seeks to resolve about 200 past transfer pricing disputes between the two countries in the Information Technology (Software Development) Services [ITS] and Information Technology enabled Services [ITeS] segments. More than 100 cases have already been resolved and some more are expected to be resolved before the end of this fiscal.

Prior to resolution of disputes under the Framework Agreement the US bilateral APA programme was closed to India. The success of the framework Agreement in short period of one year has led to the US Revenue Authorities opening up their bilateral APA programme to India. The USA is expected to begin accepting bilateral APA applications shortly.

The MAP programmes with other countries like Japan and UK are also progressing well with regular meetings and resolution of past disputes. The CBDT is confident that a combination of a robust APA programme and a streamlined MAP programme would be helpful in creating an environment of tax certainty and encourage MNCs to do business in India.

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