

India APA Annual report FY 2024-25 and OECD APA & MAP Statistics 2024

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AWARDS

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Summary

The Central Board of Direct Taxes (CBDT) in October 2025 has issued the seventh Annual Report on the Advance Pricing Agreement (“APA”) Programme for FY 2024-25. The APA Report captures data and statistics of the APA programme ending FY 2024-25.

The APA annual report includes data on APA applications filed, status of APAs, concluded APAs, nature of transactions covered in APA and location of associated enterprises (AE). APAs play a vital role in ease of doing business in India, through providing tax certainty for transfer pricing. As at FY 2024-25, APA is said to have brought certainty for income around INR 35,000 crores, cumulatively bringing certainty over 4,400 Assessment years. Further, in FY 2024-25, India concluded 174 APAs (Unilateral and Bilateral), the highest number of APAs concluded in the history of the programme. It also signed the maximum number of Bilateral APAs (BAPAs) and its first Multilateral APA (MAPA). The data is presented across Unilateral APA (UAPA) and Bilateral APA (BAPA). The Annual report also touches upon the key statistics on Mutual Agreement Procedure (MAP). The closing inventory of MAP cases for CY 2024 stood at 386 cases and continued the trend of decrease in the closing inventory from 2020.

On the OECD Tax certainty day 2025 – 31 October 2025, OECD announced the awards for APA and MAP for various categories. India was awarded in two categories – “APA Most Improved Jurisdiction” category, third highest after Ireland and Mexico, as well as in the “Cooperation” category – India and Japan were awarded for the most number of transfer pricing cases fully resolved under MAP. The report also captures the OECD’s 2024 APA and MAP statistics, highlighting data on caseloads, applications filed and concluded, closing ratios, APA-to-MAP ratios, as well as key trends and recognition of jurisdictions through various APA and MAP awards.

The key aspects of the APA annual report for FY 2024-25 issued by the CBDT, as well as OECD MAP and APA statistics for 2024 are captured in the below sections.

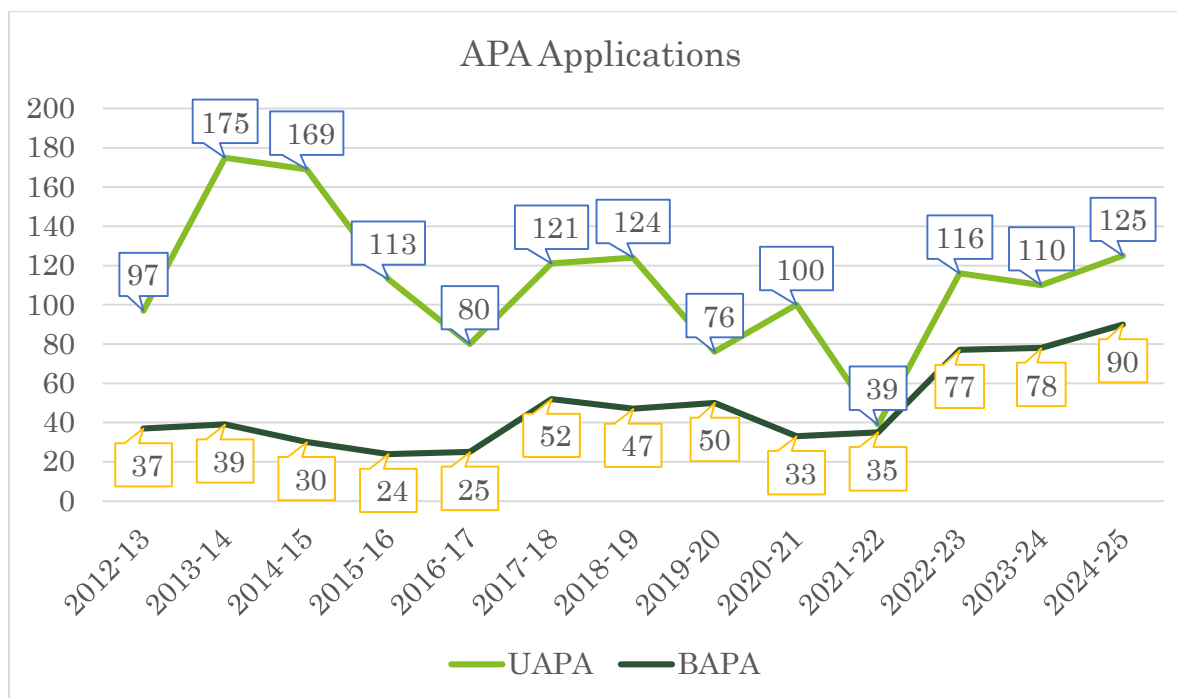


India APA Annual report: FY 24-25

APA – Applications

The APA programme has been maturing over the years, witnessed through the change in the UAPA: BAPA ratio. The number of BAPA applications was the highest in FY 2024-25 and the annual report states that the trend towards BAPA indicates confidence in quick and efficient resolutions with other treaty partners.

Below chart summarizes the applications over the first decade of the APA programme.



The number of BAPA applications has reached the highest since the commencement of the APA programme. This, along with reducing UAPA:BAPA ratio implies a shift in taxpayer's mindset towards adopting wholistic dispute resolution by way of BAPA.

APA Conclusions

There has been an increase at the pace at which APAs are being concluded. This can be seen through reduction in the APA average inventory over the last annual reports (viz., FY 2018-19, FY 2021-22, FY 2022-23, FY 2023-24 and FY 2024-25). The summary data provided in the Annual report as well as the computed **Average inventory** and **Average APA signed per year**¹ is captured in the table below:

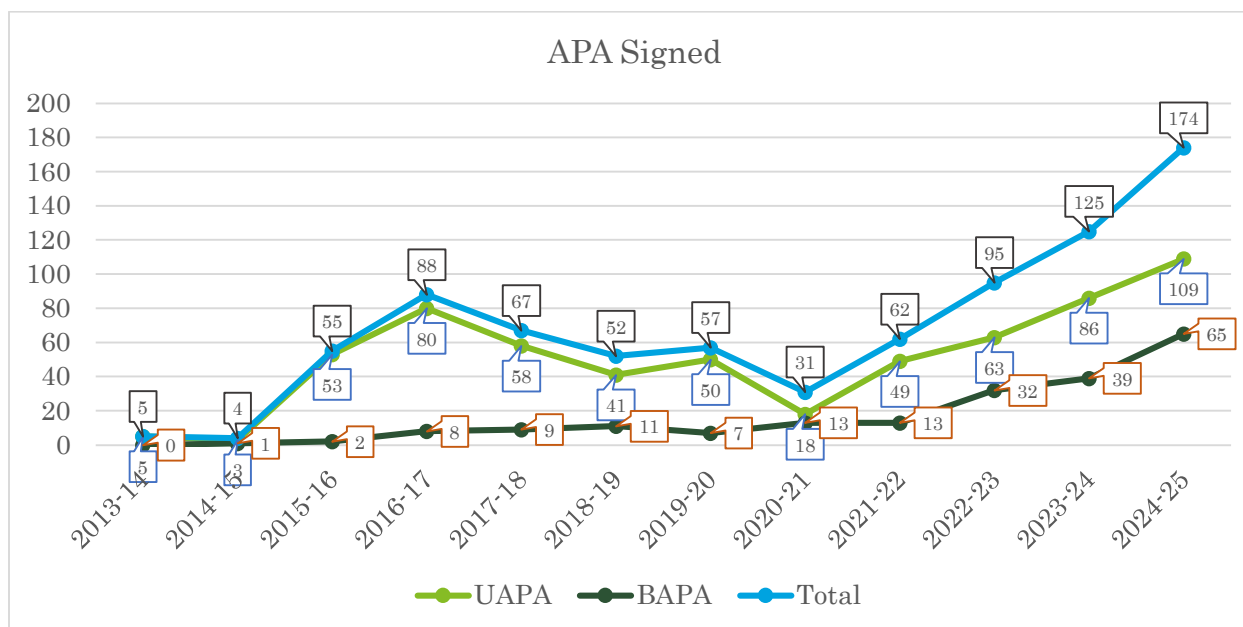
¹ Data points from APA Annual Report is provided in black and the computed ratios / indicators is provided in orange.

Particulars	Applications (A)	Concluded (B)	Disposed (C) ²	Pending (D = A-B-C)	Avg Inv % (E=D/A) %	No of Years (F)	Avg APA Signed (G=B /F)
FY 2012-13 to FY 2018-19	1155	271	82	802	69%	7	39
FY 2012-13 to FY 2021-22	1499	421	194	884	59%	10	42
FY 2012-13 to FY 2022-23	1659	516	315	828	50%	11	47
FY 2012-13 to FY 2023-24	1847	641	348	858	46%	12	53
FY 2012-13 to FY 2024-25	2062	815	389	858	42%	13	63

The year-wise pending inventory of APA applications as per FY 2024-25 annual report is captured in the below table. This reflects the tax authority's focus on completion of earlier APA applications.

FY	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Pending Inventory (%)	2%	6%	10%	9%	28%	38%	36%	46%	42%	61%	79%	74%	95%

The number of APAs signed in each financial year is plotted in the chart below. There was a reduction in number of APAs concluded in FY 2020-21 due to the COVID pandemic, but there has been strong rebound in number of APAs concluded from FY 2021-22 – with a record conclusion in FY 2024-25. During the pandemic period, adaptive measures such as virtual discussions and remote signing protocols are said to have aided in sign-off / conclusion of APAs.



² APA Applications disposed due to reasons other than conclusion / sign-off

Unilateral APA (UAPA)

UAPA has witnessed an increase in the pace of sign-off. The average inventory has reduced from **39%** as at FY 2023-24 to **35%** as at FY 2024-25. Similarly, the average number of APAs concluded per year has increased from **42** as at FY 2023-24 to **47** as at FY 2024-25, implying organic reduction in inventory. Analysis of the mean, median and mode of time taken to conclude UAPA provides insights on closure of UAPA applications. The decrease in the time period for conclusion of UAPA – mean and median of the conclusions indicating the positive momentum of the APA program.

Time period	Mean	Median	Mode
FY 2023-24	43 months (37-48 Months)	41 months (37-48 Months)	25-36 Months
FY 2024-25	42 months (37-48 Months)	40 months (37-48 Months)	25-36 Months

Services have been the major sector in which were signed during FY 2024-25 approx. 56%, followed by manufacturing, trading & service. Major industries for which APA were concluded include IT and Industrial/Commercial goods.

The below table illustrates the top transactions covered in descending order:

FY 2024-25 - List of major transactions
Provision of ITeS
Provision of back office ITeS
Receipt of management/ corporate support services
Provision of SWD services
Other expenses
Export of finished goods

Major jurisdictions in which AEs were located for the covered transactions were United States, United Kingdom and Singapore in FY 2024-25. The transfer pricing methods used were majorly Transactional Net Margin Method (TNMM) and Other Method for FY 2024-25.

Bilateral APA (BAPA)

The APA programme has been maturing towards complete dispute resolution, which is witnessed through consistent BAPA applications recording highest number of BAPA applications and conclusions since inception of APA. Average BAPA inventory reduced from **65%** as at FY 2023-24 to **57%** as at FY 2024-25. This reduction was also organic – increase in average BAPA signed per year from **11** (FY 2024-25) to **15** (FY 2024-25) per annum. The mean and median time for conclusion of BAPA has reduced, indicating an increase in the pace of the conclusion of BAPA per se. The increase in the mode is indicative of the focus by the CBDT to reduce the pending / backlog of BAPA applications.

Time period	Mean	Median	Mode
FY 2023-24	58 months (49-60 months)	58 months (49-60 months)	52 months (49-60 months)
FY 2024-25	55 months (49-60 months)	56 months (49-60 months)	54 months (49-60 months)

Service was the major sector in which BAPA was concluded during FY 2024-25 approx. 94%, followed by manufacturing. Major industries for which APA were concluded include IT/ITeS and services.

FY 2024-25, major transactions were reimbursement/recovery of expenses, provision of IT/ITeS, provision of SWD services, trade receivable/payable/advance and purchase/sale of finished goods.

United States, Singapore, United Kingdom, Japan and Australia were the major jurisdictions with which BAPA applications (amounting to 73% of the total application filed) were filed and BAPA were concluded during FY 2024-25. The transfer pricing method used most to conclude BAPA was TNMM followed by Other Method during FY 2024-25.

FY 2024-25 saw the first MAPA being concluded with India as a treaty partner, which is a major milestone in the Indian APA program.

Mutual Agreement Procedure

India continues to demonstrate progress in resolving cross-border tax disputes through the MAP mechanism under its DTAAs. For the calendar year 2024, India recorded 96 new MAP cases and resolved 131 cases, resulting in a decline in the closing inventory from 421 to 386 cases. This consistent reduction in pendency reflects India's strengthened engagement with treaty partners, improved coordination between Competent Authorities, and the increasing maturity of bilateral relationships. The trend since 2020 shows a steady improvement in efficiency and resolution timelines under the MAP framework.



OECD APA and MAP - 2024 Statistics

APA

According to the OECD's 2024 APA Statistics Report, global engagement with APAs continues to strengthen, reflecting tax administrations' and MNEs' growing preference for advance certainty mechanisms in transfer pricing. The global APA caseload rose in 2024, from 3,972 cases as opening inventory to 4,089 cases as closing inventory – 1,141 new applications filed and 826 APAs concluded, signifying sustained growth driven by rising cross-border complexities and proactive dispute prevention efforts.

Globally, Norway recorded the highest APA closing ratio of 87.5%, followed by Malta 54.5% and Denmark 38.7%. The average closing ratio across all jurisdictions stood at 18.1%, reflecting gradual progress in addressing backlogs.

The APA to MAP ratio globally was 37.8%, with India featuring in the top 15 jurisdictions at 50.2%.

Notably, 80 jurisdictions reported allowing bilateral APAs (up from 73 in 2023), with 49 jurisdictions actively managing cases. The number of bilateral APA filings rose by 3%, and about one-quarter of the APA inventory was closed, consistent with the previous year. The average time to conclude APAs increased to 39.6 months, compared to 36.8 months in 2023.

Several jurisdictions indicated that APAs account for more than half of their bilateral transfer pricing caseload, with 11 jurisdictions reporting APA-to-MAP ratios above 50%, while the overall global ratio averaged 37.8%. Although the number of APAs granted declined by 2%, the share of APAs rejected or closed without agreement increased from 12% in 2023 to over 19% in 2024.

APA Awards

- APA Most Improved Jurisdiction: Winner – Ireland with 900 %(+9 cases), followed by Mexico with 333%(+10 cases) and India with 103%(+33 cases) increase in APAs granted from 2023.
- APA Caseload Management: Winner – Denmark (~39 % closing ratio).

MAP

The OECD 's MAP statistics indicated a marginal increase in the global average time for resolution of MAP cases – from 32 months in 2023 to 30.9 months in 2024 for transfer pricing cases. Further there was an increase in the full resolution of MAP cases – from 74% in 2023 to 76% in 2024, demonstrating the dedication of the Competent Authorities across the globe.

In 2024, only 4% of MAP cases were closed without agreement, underscoring the continued efforts of competent authorities to reach mutual resolutions. The MAP inventory profile showed improvement, with just 3.3% of cases pre-dating 2016, less than 20% older than four years, and over 56% under two years old, indicating progress in clearing long-pending cases. However, total MAP inventories recorded a slight increase, with transfer pricing cases up by 3.9% and other cases by 2.7%, reflecting a return to pre-pandemic trends.

The year also saw an increase in new MAP cases, particularly transfer pricing cases (+29.1%) and other cases (+8.1%), while closed MAP cases declined by 2.8% following a record-high number of closures in 2023, mainly due to a 5.5% drop in closed transfer pricing cases.

Jurisdictions continue to place strong emphasis on dispute prevention, with a growing number of bilateral and multilateral APA filings, aligning with the ongoing focus of the OECD's Forum on Tax Administration MAP Forum on strengthening preventive mechanisms and promoting the best practices outlined in the Bilateral APA Manual.

MAP Awards

- Average time to close MAP cases
 - (Transfer pricing cases): Winner – Switzerland (~20 months)
 - (Other cases): Winner – New Zealand (~3.55 months)
- Age of inventory: Winner – Mexico (no pre-2016 cases)

- Caseload management-Closing ratio³
 - (Closing inventory >100 Cases): Winner – Netherlands (~47 %)
 - (Closing inventory within 20-100 Cases): Winner – Norway (~59 %)
- Co-operation
 - (Transfer pricing cases): Winner – India & Japan
 - (Other cases): Winner – Australia & New Zealand
- Most improved jurisdiction: Winner – United States (increase of 40 cases closed with unilateral relief or full agreement versus 2023, +31 TP cases and +9 other cases)



Conclusion and Key Takeaways

On joint reading of the OECD's APA statistics – 2024 alongside the APA Annual report issued CBDT for FY 2024-25, following are some of the key insights:

Indicators	OECD 2024		CBDT Annual report for FY 24-25
	All Jurisdiction	India	
APA to MAP Ratio	37.8%	50.2%	
Closing Ratio	18.1%		16.75%
Avg. time to conclude BAPA	39.60 Months		50.18 Months

The ratio of APA to MAP of India was higher as compared to the average of the all the OECD (*Inclusive framework jurisdictions: 49 jurisdictions for APA and 144 jurisdictions for MAP*), signifying progress in maturity of dispute resolution – movement towards dispute prevention from dispute resolution. With regard to the turnaround of the APA Bilateral program, as seen in closing ratio, India is nearing the OECD average, in light of marked increase in the number of APA concluded by the CBDT. Though there is a gap w.r.t. the average time to conclude APA, considering the recent progress witnessed in the APA program at large, it is expected that India would reach the OECD average time to APA and align with global best practices.

With regard to MAP cases, India witnessed an 8% decrease in the MAP case inventory as compared to the increase of 3% with the overall OECD jurisdictions. During 2024, the highest inventory of MAP applications and conclusions were with the United States. However, India concluded more than 80% of the 2024 opening inventory of MAP cases during 2024 with Japan, which was recognised through OECD's award in the category of "Cooperation".

Overall, the steady rise in both Bilateral and Unilateral APAs during FY 2024-25 reflects the strong trust taxpayers place in India's APA programme and highlights the collaborative approach between taxpayers and authorities. As the programme evolves, there is a clear need to optimise procedures and encourage earlier filing of applications to make the agreements truly "advance," to provide efficient and effective tax

³ The closing ratio measures the number of MAP/APA cases closed by each jurisdiction during the reporting year as compared its total MAP/APA caseload.

certainty. Greater information symmetry, timely responses, and proactive engagement from all parties have been key in accelerating resolutions, particularly in Bilateral APAs.

With one of the highest numbers of BAPAs signed since inception and continuous capacity building among taxpayers, consultants, APA teams, and Competent Authorities, the Indian APA programme has been maturing over the last few years. Leveraging the accumulated knowledge and experience, the focus now lies on streamlining processes, deepening international collaboration, and delivering timely, predictable outcomes furthering the programme's goal of providing genuine tax certainty and stability to businesses operating in India.

About us



VSTN Consultancy is a Global Transfer Pricing firm with extensive expertise in the field of international taxation and transfer pricing. VSTN Consultancy has been awarded by International Tax Review (ITR) as Best Newcomer in Asia Pacific – 2024 and is ranked as one of the recommended transfer pricing firms. VSTN has also been nominated in 9 Categories under APAC, EMEA and Middle East Region ITR awards 2025. VSTN has its offices in India and Dubai.

Nithya Srinivasan, Founder of VSTN Consultancy, was named Middle East Transfer Pricing Practice Leader of the Year, recognizing her outstanding leadership and contribution to the profession. VSTN also received the Best Newcomer in the Middle East award from International Tax Review, showcasing its rapid growth and excellence in global transfer pricing advisory.

VSTN Consultancy has been honored with the Best Global Transfer Pricing Consultancy 2025 – India award at the prestigious Wealth & Finance Management Consulting Awards 2025.

Our offering spans the end-to-end Transfer Pricing value chain, including design of intercompany policy and drafting of Interco agreement, ensuring effective implementation of the Transfer Pricing policy, year-end documentation and certification, BEPS related compliances (including advisory, Masterfile, Country by Country report), safe harbour filing, audit defense before all forums and dispute prevention mechanisms such as Advance Pricing agreement. VSTNs senior partners have been ranked in ITR in the list of recognized Practitioners.



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