Tax alert: Key highlights of India APA program from APA Annual Report for FY 2025-26

31 July 2026

The Central Board of Direct Taxes ("CBDT") has published its eighth annual report on the Advance Pricing Agreement (APA) Programme for FY 2025-26. The report provides various statistical details about the APAs executed and pending during the FY 2025-26, as well since the inception of the APA program in 2012.

In a nutshell

India's APA programme has notched up 1,035 agreements by March 2026, reinforcing tax certainty for businesses. This has been recognised by the Organisation of Economic Co-operation and Development (OECD) as the third fastest growing APA programme in 2025.

CBDT signs 220 APAs in FY 2025-26, surpassing all previous annual highs and is also one of the highest ever number of APAs reported by any country till date in a tax year. Cross-border tax certainty gains momentum as the CBDT signs 84 Bilateral APAs, its highest ever in a year. A first for India: Bilateral APAs signed with France, Indonesia, Ireland, and Sweden in FY 2025-26.

In FY 2025-26, 215 APAs were filed. The total number of Bilateral APAs filed were 103 while the number of Unilateral APAs filed were 112.
CBDT has provided significant clarity to Applicants to opt for the Safe Harbour in future years even if they enter into an APA.

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Key highlights from the reports:

- India's Advance Pricing Agreement (APA) programme achieved several landmark milestones in FY 2025-26, reinforcing its position as a key mechanism for enhancing tax certainty and reducing transfer pricing disputes.
- **APA conclusions providing tax certainty:** The CBDT recorded its highest-ever annual APA signings since the programme's inception, concluding 220 APAs during FY 2025-26, comprising 136 Unilateral APAs (UAPAs) and 84 Bilateral APAs (BAPAs). With this achievement, the cumulative number of APAs concluded has reached 1,035, including 751 UAPAs and 284 BAPAs.
- While India has been breaking its own record of number of APA conclusions per year for last four years, a comparative snapshot of APA progress of FY 2025-26 with FY 2024-25 is as under:

Particulars	FY 2025-26	FY 2024-25
Filings		
Total Applications Filed	215	215
BAPA Applications Filed	103 (includes 3 conversions)	90
UAPA Applications Filed	112	125
Cumulative APAs Filed	2277	2062
Signings		
Total APAs Signed in Year	220	174
Unilateral APAs (UAPAs) Signed	136	109
Bilateral APAs (BAPAs) Signed	84	65 (includes 1 Multilateral APA)
Cumulative APAs Signed	1035	815

- Notably, the 84 Bilateral APAs concluded during the year represent the highest number ever signed in a single financial year, surpassing the previous record of 65 BAPAs achieved in FY 2024-25. Every year, India is building relationship and adding new treaty partners for negotiating bilateral APAs. During FY 2025-26, India successfully concluded first-ever Bilateral APAs with France, Indonesia, Ireland and Sweden.
- **Top countries with whom Bilateral APAs are filed and concluded:** The top 4 countries with highest Bilateral APA filings as well as with conclusions are USA, UK, Japan and Singapore.
- **Year on Year APA filings continue to be high:** From FY 2012-13 through FY 2025-26, CBDT received a total of 2,277 APA applications, comprising 1,557 UAPA applications and 720 BAPA applications. The growing popularity of Bilateral APAs is particularly noteworthy, with annual BAPA applications increasing from 28% in FY 2012-13 to 48% in FY 2025-26.
- **Strong Preference for APA Renewals:** A significant proportion of taxpayers continue to place confidence in the APA framework through renewals. In FY 2025-26, approximately 63% of the Unilateral APAs and 26% of the Bilateral APAs concluded were renewal cases, highlighting the sustained value taxpayers derive from long-term pricing certainty.
- **Key Trends in Unilateral APAs:** The UAPAs concluded during FY 2025-26 were predominantly concentrated in the services sector (approximately 72%), followed by manufacturing and trading activities. The average resolution time for UAPAs stood at approximately 40.8 months, while renewal cases were completed significantly faster, averaging 29 months. The 136 UAPAs signed during the year involved associated enterprises located across 93 countries, including Luxembourg, UAE, Cyprus, Cayman Islands and Ireland, among others.

- **Reduced average time of APA conclusions –**
  - **Unilateral APA**
    - The average resolution time concluded up to 31 March 2026 was reduced to 40.80 months from 42.94 months up to 31 March 2025.
    - In FY 2025-26, approximately 45% of Unilateral APA cases were resolved within 2 years and 65% of the cases within 3 years.
    - In FY 2025-26, the average time taken for resolution of renewal cases is 29 months.
  - **Bilateral APA**
    - The average resolution time up to 31 March 2026 was reduced to 41.47 months from 50.18 up to 31 March 2026.
    - In FY 2025-26, approximately 27% of Bilateral APA cases were resolved within 2 years and 47% of the cases within 3 years.
    - In FY 2025-26, the average time taken for resolution of renewal cases is 23.5 months.
- **Progress in MAP resolution:** The CBDT has also made noteworthy progress in reducing the backlog of Mutual Agreement Procedure (MAP) cases. The MAP inventory declined from 947 cases in calendar year 2020 to 365 cases by the end of 2025, representing a reduction of approximately 60%. The average time taken to resolve a transfer pricing MAP case currently stands at 39.78 months.

Comments:

Over the years, the APA program has seen large proportion of APA applications and conclusions for service sector cases primarily involving IT-enabled services and software development services etc. The introduction of the new Safe Harbour regime is expected to gradually reshape this trend and the composition of transactions covered under APAs could evolve in the coming years, with more and more taxpayers expected to opt for Safe Harbour. Consequently, the Indian APA programme is expected to increasingly focus on more complex and nuanced transfer pricing matters, thereby providing greater certainty and more robust outcomes for taxpayers.

Notwithstanding these developments, the Indian APA programme continues to deliver significant benefits to both taxpayers and the Government by providing tax certainty, reducing litigation, and fostering a cooperative tax environment. To date, 1,035 APAs have been concluded, bringing tax certainty to income of approximately INR 51,000 crores and generating an estimated tax revenue of around INR 15,000 crores and tax certainty to 5732 years.