



TaxNewsFlash

Transfer Pricing

No. 2018-030
March 30, 2018

United States: APMA program, APA statistics for 2017

The IRS today released an advance version of Announcement 2018-08 providing the annual report on the advance pricing and mutual agreement (APMA) program for 2017 that contains advance pricing agreement (APA) statistics for 2017.

[Announcement 2018-08](#) [PDF 1.43 MB] reports that:

- The number of executed APAs in 2017 was 116—compared to 86 in 2016. Of the 116 APAs executed in 2017, 40% were new APAs (and not renewals of a prior APA).
- The number of executed APAs (116) surpassed the number of applications filed (101) during 2017.
- The median completion time for new APAs and renewed APAs combined was 33.8 months (unilateral and bilateral APAs).
- The number of pending APAs has continued to decline since 2015. Japan, India, and Canada accounted for more than half of all pending bilateral APAs.

APA statistics for 2017

	Unilateral	Bilateral	Multilateral	Total
Applications filed	14	86	1	101*
APAs executed	30	85	1	116
APAs pending	57	321	8	386
Renewals executed in 2017	22	48	0	70

Renewals pending	29	133	2	164
Revoked or cancelled	0	0	0	0
Applications withdrawn	1	6	1	8

*The total of 101 include the number of complete applications filed per year. As of December 31, 2017, the IRS reports that the APMA program had also received 37 user fee filings that were not yet accompanied by substantially complete APA applications, in addition to the 101 complete APA applications.

KPMG observation

Some initial impressions of these APA statistics are:

- There is a notable increase in the number of APA closures (compare 86 in 2016 to 116 in 2017).
- There is a substantial increase in “dollar filings”—there were 17 in 2016, but 37 in 2017.
- Japan still dominates for closures—54% in 2016 and 57% in 2017.
- India filings have dropped from 34% in 2016 to 21% in 2017.

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