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Announcement 2023-10: APMA program, APA statistics for 2022

The IRS today released an advance version of Announcement 2023-10 providing the Advance Pricing and Mutual Agreement (APMA) program's annual report on advance pricing agreements (APAs) for 2022.

This is the 24th report describing the experience, structure, and activities of the APMA program. This report does not provide guidance regarding the application of the arm's length standard.

[Announcement 2023-10](#) [PDF 2.3 MB] reports that:

- The number of executed APAs in 2022 was 77.
- In 2022, the percentage of APA renewals executed was 55% (compared to 63% in 2021).
- As in prior years, more than half of the APAs executed in 2022 involved transactions between non-U.S. parents and U.S. subsidiaries.
- Although most of the transactions covered in APAs executed in 2022 involved the sale of tangible goods or the provision of services, approximately 22% involved the use of intangible property (noted by the IRS to be among the most challenging transactions in the APMA program's inventory).
- Although the median time required to complete an APA increased in 2022 to 43.4 months (versus 35.1 months in 2021) and is higher than the median completion times in 2020 (32.7 months).

KPMG observation

Taxpayer interest in the APA program remains strong, with new APA applications increasing to 183 during 2022. However, the number of APAs executed fell significantly, from 124 in 2021 to 77 in 2022. Speaking during the KPMG-USCIB TaxWatch webcast "Tax Certainty—Moving Beyond the Status Quo" ([replay](#)), Nicole Welch, acting IRS Director of Treaty and Transfer Pricing Operations, attributed the decrease in the number of executed APAs to the fact that APMA was able to close many pre-pandemic cases and routine APAs during 2021. This left more complex cases and newer APAs—which take longer to resolve—in APMA's inventory for 2022.

APA statistics for 2022

	Unilateral	Bilateral	Multilateral	Total
Applications filed	22	154	7	183
APAs executed	10	66	1	77
APAs pending as of 31 December 2022	54	480	30	564
Renewals executed in 2022	10	32	0	42
Renewals pending as of 31 December 2022	37	185	15	237
Revoked or cancelled in 2022	0	0	0	0
Applications withdrawn in 2022	1	5	0	6

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