



# TaxNewsFlash

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## Announcement 2024-16: APMA program, APA statistics for 2023

The IRS today released Announcement 2024-16 providing the Advance Pricing and Mutual Agreement (APMA) program's annual report on advance pricing agreements (APAs) for 2023.

This is the 25th 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 2024-16](#) [PDF 488 KB] reports that:

- The number of executed APAs in 2023 was 156 (a record high).
- In 2023, the percentage of APA renewals executed was 47% (compared to 55% in 2022).
- As in prior years, more than half of the APAs executed in 2023 involved transactions between non-U.S. parents and U.S. subsidiaries.
- Although most of the transactions covered in APAs executed in 2023 involved the sale of tangible goods or the provision of services, 18% involved the use of intangible property (noted by the IRS to be among the most challenging transactions in the APMA program's inventory).
- The median time required to complete an APA decreased in 2023 to 42 months (versus 43.4 months in 2022).

### KPMG observation

The report shows APMA hitting a high water mark in 2023, with a record 156 APAs executed. This is a substantial increase over the prior year, when resolutions suffered from delayed effects of the COVID-19 pandemic, and is well above the previous record of 127 APAs executed during 2020. The APA program's highly effective results in 2023 are welcome news, especially as taxpayer interest in APAs remains high: 167 applications were filed during 2023.

## APA statistics for 2023

	<b>Unilateral</b>	<b>Bilateral</b>	<b>Multilateral</b>	<b>Total</b>
<b>Applications filed</b>	17	144	6	167
<b>APAs executed</b>	24	130	2	156
<b>APAs pending as of 31 December 2023</b>	44	480	34	558
<b>Renewals executed in 2023</b>	15	59	0	74
<b>Renewals pending as of 31 December 2023</b>	33	139	20	252
<b>Revoked or cancelled in 2023</b>	0	0	0	0
<b>Applications withdrawn in 2023</b>	2	11	0	13

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