

Advance Pricing Agreement annual report shows record number of APAs executed in 2023

A recently released report from the Internal Revenue Service covering the activities of the Advance Pricing and Mutual Agreement (APMA) Program during calendar year 2023 notes, among other things, that the IRS executed a record number of advance pricing agreements (APAs) last year and received a substantial number of APA requests.

[URL: https://www.irs.gov/pub/irs-drop/a-24-16.pdf](https://www.irs.gov/pub/irs-drop/a-24-16.pdf)

The Secretary of the Treasury is required under section 521(b) of the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170), to report annually to the public on APAs and the APMA Program.

[URL: https://www.congress.gov/106/plaws/publ70/PLAW-106publ70.pdf](https://www.congress.gov/106/plaws/publ70/PLAW-106publ70.pdf)

Transfer pricing enforcement is expected to continue to increase throughout the world as countries adopt OECD's Pillar One and Pillar Two guidance and continue to utilize country-by-country reporting data. In addition, the IRS received a large increase in its enforcement budget from the Inflation Reduction Act (P.L. 117-169), which has already resulted in the IRS issuing compliance alerts to US subsidiaries of foreign multinationals. Consequently, the certainty provided by APAs will continue to play an important role in transfer pricing risk management.

[URL: https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf](https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf)

[URL: https://www.irs.gov/newsroom/irs-ramps-up-new-initiatives-using-inflation-reduction-act-funding-to-ensure-complex-partnerships-large-corporations-pay-taxes-owed-continues-to-close-millionaire-tax-debt-cases](https://www.irs.gov/newsroom/irs-ramps-up-new-initiatives-using-inflation-reduction-act-funding-to-ensure-complex-partnerships-large-corporations-pay-taxes-owed-continues-to-close-millionaire-tax-debt-cases)

Find out more

A new alert from Deloitte Tax LLP covers highlights of the 2023 APA annual report.

[URL: https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/2404125_5_suppA.pdf](https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/2404125_5_suppA.pdf)

- Michael DeHoff
Tax Policy Group
Deloitte Tax LLP

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