



TAXAND GLOBAL GUIDE TO APAs & CAs



As tax authorities worldwide seek to increase tax takes to beat the downturn, multinationals face further scrutiny. Whether planning a complex transaction or reassessing your transfer pricing position, understanding Advance Pricing Agreement programmes and Competent Authority procedures is essential. Taxand’s Global Guide to APAs and CAs – split by region – provides you with an at-a-glance view of the key legislation in place. Take a look to inform your risk management strategy. You can save time and money, plan against audits and prevent double taxation if you’re in the know.

	USA	CANADA	VENEZUELA	BRAZIL
	1) ADVANCE PRICING AGREEMENTS			
Advance Pricing Agreement programme (APA) in place	Yes	Yes - see APA reports at http://www.cra-arc.gc.ca/tx/nnrdsnts/cmp/p_mp-eng.html	Yes	Brazil does not have an APA procedure
Programme guidelines	Rev. Proc. 2006-9, amended by Rev. Proc 2008-31	Yes - IC 94-4R see electronic version at http://www.cra-arc.gc.ca/tx/nnrdsnts/cmp/p_mp-eng.html	No	
APA types	a) Unilateral b) Bilateral / Multilateral	a) Unilateral b) Bilateral / Multilateral	a) Unilateral b) Bilateral / Multilateral	
Issues covered	<ul style="list-style-type: none"> ❖ Transfer pricing under Sec. 482 ❖ Cost sharing ❖ Attribution of profit to a permanent establishment ❖ Determining effectively connected income ❖ Sourcing of income 	Sec 247 on All transfer pricing issues	All transfer pricing issues	

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1) ADVANCE PRICING AGREEMENTS				
Length of APA term	No	No	No	
Rollbacks allowed	Yes	Yes	Yes	
Renewals allowed	Yes	Yes	Yes	
Annual compliance reports	Yes	Yes, must be filed with competent authority within 6 months of the applicable year ends	Yes, attached to the Income Tax Return. Also Transfer Pricing Return 6 month after the fiscal year ends.	
Filing deadlines	Request must be filed within time prescribed for filing tax return for first proposed APA year. If taxpayer receives filing extension, APA request must be filed no later than actual filing date.	Request must be filed within time prescribed for filing tax return for first proposed APA year. Generally the pre-filing meeting should also be held within 6 months of the year end of the first year to be included. Renewals are suppose to be requested within 9 months of the end of the original APA. (note: the renewal timeline is not strictly enforced.)	Request must be filed within time prescribed for filing tax return for first proposed APA year. It will be valid for another 3 years.	
User fees	Due at filing: <ul style="list-style-type: none"> ❖ New APA: \$50,000 ❖ Renewal: \$35,000 ❖ Small Business APA: \$22,500 Also: <ul style="list-style-type: none"> ❖ Taxpayer-initiated request for amendment: \$10,000 	The taxpayer is responsible for any travel costs incurred by government officials to conduct site visits and travel for bilateral negotiations. No other user charges.	All the costs are on the taxpayer	
Withdrawal	Taxpayer can withdraw at anytime during APA process	Taxpayer can withdraw at anytime during APA process	Taxpayer can withdraw at anytime during APA process	
2) COMPETENT AUTHORITY PROCEDURES				
Programme guidelines	Outlined in Rev. Proc. 2006-54	Outlined in IC 87-2R. There are also a number of transfer pricing memorandums that provide more explanation. Refer to http://www.cra-arc.gc.ca/tx/nnrstdnts/cmmn/trns/menu-eng.html	No	Competent authorities procedures are available under tax treaties provisions

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2) COMPETENT AUTHORITY PROCEDURES				
Filing deadlines	Varies by treaty partner	Varies by treaty partner	No	The filing sets forth in the Brazilian legislation is that one relating to taxes (direct and indirect taxes). Regarding the transfer pricing rules, the taxpayer is required to inform the relevant amounts, method adopted, etc. in the corporate income tax return, following the respective deadlines.
Filing fees	None, except for requests for determinations on limitations of benefit (\$15,000)	No	No	No fees for the filings



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Taxand's team of transfer pricing specialists combines leading advisors from nearly 50 countries working together to help you meet your obligations while achieving meaningful tax efficiencies. To discover how Taxand can deliver your global transfer pricing advantage, please contact your nearest Taxand advisor.

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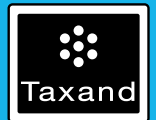
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