



Book review: *Advance Pricing Agreements: Past, Present and Future*

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Australian academic Michelle Markham has written a book many tax practitioners will find interesting, *Advance Pricing Agreements: Past, Present, and Future*.

This comprehensive, well-referenced analysis of APAs starts with the 1991 Apple Computer agreement between the US and Australia, then goes on to chronicle the developments in each of those countries over the last two decades. For example, the book describes the litigation in the mid-1990s between BNA and the IRS to make the contents of APAs public. Readers are reminded that, at one point, the IRS agreed to BNA's request, but the law quickly changed to keep the data private, requiring the IRS to issue annual, high-level reports instead.

On the Australian side, Ms. Markham notes how the initial uptake in APAs in that country was slow, until the ATO began an aggressive effort in the late 1990's with an "APA-or-audit" outreach to many large and medium sized businesses. The book describes how the ATO commissioned a third party for an independent evaluation of its APA processes in 2008 and lists the resulting 14 key recommendations for improvement.

The book examines the pros and cons of APAs, with a wealth of comments from practitioners and senior tax authorities involved in APA programs. Particularly timely are those comments relating to the recent IRS reorganization, so that the APA program is now combined with the Competent Authority office, and no longer falls under the Office of Chief Counsel.

Taxpayers considering APAs will find the book helpful, as will tax authorities which have, or are considering, APA programs (such as India).

More information on the book is available from the publishers.

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