

Bilateral v. Unilateral APAs – Some Issues

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Bilateral v. Unilateral APAs

Bilateral features:

- Double tax protection
- Temper demands
- Facilitate compromise, especially for back years
- Soft precedent to export to other countries

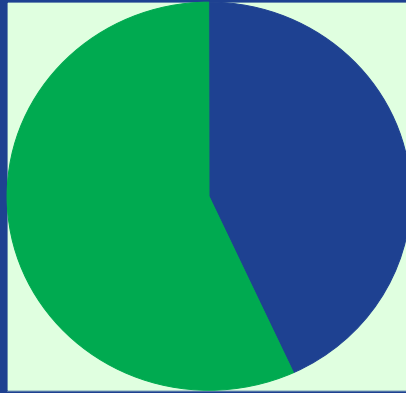
Unilateral features:

- Greater availability
- Faster/cheaper
- Facilitate refinement/tailoring and longer prospective term
- Lower profile

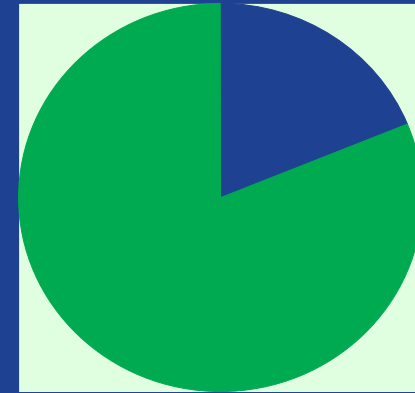


APA Mix in 4 Countries (over life of program)

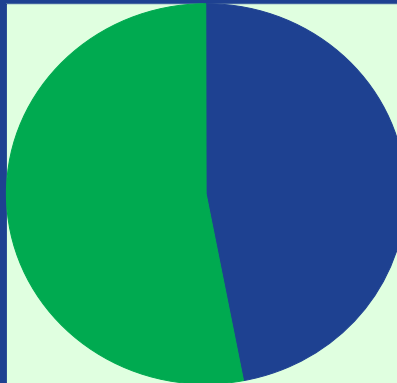
U.S. 57% Bilateral



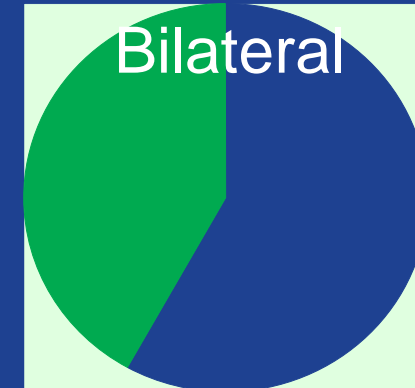
Canada 81% Bilateral



Korea 53% Bilateral



Australia 42%
Bilateral



Unilateral APA demographics

Australia – 2008/09 APA report notes “strong bias”

- unilateral APAs for small and medium sized businesses
- bilateral APAs for large businesses

United States – review of 200+ unilateral APAs

30% - bilateral APA process not available

21% - diffuse global operations

17% - small business taxpayer

32% - other (e.g., time, cost, risk asymmetry)

Bilateral v. Unilateral APAs - timeliness

- Canada (2004-2008)

- 15 months Unilaterals v. 33 months Bilaterals

- Korea (all years)

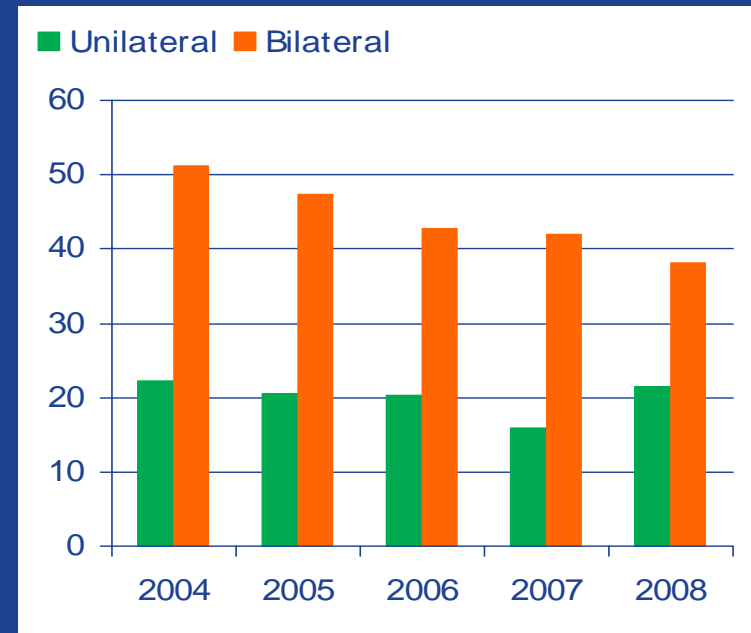
- 20 months Unilaterals v.

- 30 months Bilaterals

- U.S. (2004-2008)

- 20 months Unilaterals v.

- 44 months Bilaterals



Concluding thoughts about

Bilateral v. Unilateral APAs

