

# OECD's Tax Dispute Resolution Programs Are a Welcome First Step

By Amanda Worcester Martin, Wenham Shen, and Christine Kim 2025-12-16T04:30:03000-05:00

Statistics on mutual agreement procedures and advance pricing arrangements published by the OECD on Oct. 31 provide valuable perspectives on international tax disputes trends.

The MAP [statistics](#) cover 141 jurisdictions and almost all MAP cases worldwide, with 80 jurisdictions [reporting](#) that they allowed bilateral APAs in 2024 (up from 73 in 2023).

These statistics will help companies evaluate strategies for preventing and resolving tax disputes. Although competent authorities should continue their work to reduce resolution times for MAP cases and APAs, these programs remain attractive to taxpayers as an avenue to avoid double taxation.

## New MAP Cases

One notable aspect of the MAP statistics is the number of new cases opened last year, which shows a 29% increase for transfer pricing cases (2,525 total) and an 8% increase for other non-transfer pricing cases (2,928 total).

These statistics reflect aggressive audit activities of tax authorities who are armed with increasing amounts of data—from country-by-country reports, for example—and are leveraging data analytics and AI tools to identify high-risk areas.

Transfer pricing is a prime example of a perceived high-value area for tax authorities and has remained a major audit risk for large multinational companies. A jump in transfer pricing MAP cases demonstrates that taxpayers are prioritizing efficient, fair, and reliable dispute prevention mechanisms in addressing transfer pricing issues.

UK's tax authority—adding to the international trend for increasing transfer pricing MAP

cases—recently updated its [policy](#) on settling transfer pricing inquiries in cases where MAP is available at the end of the inquiry. This provides that His Majesty's Revenue & Customs will default to using a central tendency, such as the median in the comparables used.

The update suggests that HMRC aims to prepare itself for the start of competent authority discussions in transfer pricing cases. Taxpayers should be ready to provide robust evidence if they wish to depart from the default position.

Times for resolving MAP cases have remained largely stable. The average time for resolving transfer pricing cases slightly improved to just under 31 months (down from 32 months in 2023), while other cases increased to 24.5 months (from 23.4 months in 2023).

The Organization for Economic Cooperation and Development highlighted that additional resources and process streamlining by competent authorities could help resolution times reach the 24-month target. The MAP [awards](#) show that only Switzerland, Spain, and Denmark closed their transfer pricing MAP cases under this target. But progress made by countries on the overall inventory is encouraging, with 56% of cases being less than two years old and less than 20% older than four years.

MAP's effectiveness at resolving tax disputes is evident in the statistics, with 76% of cases fully resolved and only 4% closed without mutual agreement—that is, with no relief. While closed MAP cases dropped by 2.8%, mainly because of transfer pricing case closures declining by 5.5%, the OECD considers this development as a return to the trend line.

The US won an award for “most improved jurisdiction” for having the greatest increase in number of cases closed with unilateral relief or full agreement, with an increase of 40 cases closed, including an increase in 31 transfer pricing cases.

But the US' longest government shutdown in history hindered operations of the US competent authority, most of whose employees were furloughed during that period. Despite the best efforts of employees who remained during the shutdown, the disruption likely will have at least short-term adverse effects on the high-demand MAP and APA programs.

## APA Decline

The 2024 APA statistics show that 80 jurisdictions now permit bilateral APAs, with 49 of them actively managing cases, and the number of bilateral APAs filed increased by 3%.

APAs can greatly benefit taxpayers who are at risk of costly and time-consuming tax audits worldwide. So it's encouraging that dispute prevention through APAs compose more than half of the bilateral transfer pricing workload for [several jurisdictions](#), including Japan, China, the US, and India.

Although APAs are an attractive certainty tool for taxpayers, fewer of them were granted in 2024. And the number of APAs that were rejected or closed without agreement grew from approximately 12% in 2023 to more than 19% in 2024.

We hope this increase doesn't indicate a change in approach and that competent authorities will ensure their APA programs serve as an effective means of achieving tax certainty.

The process for obtaining an APA is still lengthy, with the average required time increasing to 39.6 months in 2024, despite improvements by some jurisdictions. This trend of long resolution times for APAs provides little benefit to taxpayers seeking advance tax certainty.

Tax authorities should focus on reducing this time to resolution, as advance certainty allows companies to understand the tax consequences of their transactions—fostering cooperation, expansion and growth. A lack of timeliness means the process can drag on for years without deadlines being met or with arbitration deadlines being extended continuously.

It would be helpful to see tax authorities work within the timeline goals of the OECD and perhaps even commit to certain deadlines with taxpayer participation.

To the extent that advance certainty through APAs and resolution through MAPs continues to be fair and efficient, we anticipate that demand for these tools will continue rising—particularly in an environment where transfer pricing disputes drive high revenue and high interest for tax authorities.

Taxpayers' use of these tools leads to greater compliance. We hope that tax administrations will invest in improving them, both from a resolution perspective and an efficiency perspective.

The APA and MAP programs should reduce the burden on tax administrations and taxpayers and provide a strong incentive for companies to further invest in jurisdictions where there is greater

likelihood of certainty and sustainability.

We applaud the OECD and the reporting jurisdictions for their continued efforts to improve these programs and give taxpayers avenues to achieve certainty and resolve transfer pricing issues.

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