



Lawgics

By Nidhi, Advocate



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Section 96 of CGST Act, 2017

96. Authority for advance ruling.

Subject to the provisions of this Chapter, for the purposes of this Act, the Authority for advance ruling constituted under the provisions of a State Goods and Services Tax Act or Union Territory Goods and Services Tax Act shall be deemed to be the Authority for advance ruling in respect of that State or Union territory.

Rule 103 –Qualification and appointment of members of the Authority for Advance Ruling

The Government shall appoint officers not below the rank of Joint Commissioner as member of the Authority for Advance Ruling.

Our Interpretation

Section
96

The Authority for advance ruling (AAR) constituted under provisions of a State GST Act or UTGST Act shall be deemed to be the Authority for advance ruling in respect of that State or Union territory.

The AAR shall be located in each State/Union Territory. The Government shall appoint officers **not below the rank of Joint Commissioner** as member of the AAR as per Rule 103.

The State Government may notify any AAR located in another State to act as the Authority for Advance Ruling for the State.

The AAR shall consist of one member from amongst the officers of Central tax and one member from amongst the officers of State tax, to be appointed by the Central Government and the State Government respectively.

As the AAR have been instituted under the respective State / Union Territory Act and not the Central Act, the ruling given by the AAR will be applicable only within the jurisdiction of the concerned State or union territory. Therefore, a situation may also arise wherein the Authority for Advance Ruling in different States may conclude differently in respect of the same issue.

Since the advance ruling is binding on the **jurisdictional officer only in respect of the applicant**, there is no assurance that the same officers may apply the interpretation flowing from the jurisdictional AAR in the same or different manner with respect to another registered person in the State.

The key to securing accurate ruling is to present the facts accurately and ask the right questions. Care must be taken to avoid incomplete or inaccurate facts. Questions must be simply put instead of circuitous case study approach with 'if-then' alternatives. Thus, it is important for an applicant to carefully consider before seeking an Advance Ruling.

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