Procedure to Apply for Advance Ruling

Introduction to Advance Ruling

Advance ruling under GST has been made very taxpayer friendly. Advance ruling helps taxpayers plan for GST liability in advance. Advance ruling is binding on both the taxpayer and the Government. Hence, advance ruling can also be used by taxpayer to avoid costly litigations. One of the major advantages of advance ruling under GST compared to advance ruling under service tax is that under GST, advance ruling can be obtained on a proposed transaction as well as a transaction already undertaken by the appellant.

The Government has created the Authority for Advance Ruling (AAR) and Appellate Authority for Advance Ruling, which can give a binding ruling to an applicant who is a registered taxable person or is liable to be registered to handle all aspects of advance ruling under GST.

The provisions for advance ruling in GST can be utilised by taxpayer to clarify matters relating to:

- Classification of goods or services or both.
- Applicability of notification issued under the GST Act.
- Determining the time and value of goods or services.
- Input tax credit admissibility of tax paid or deemed to be paid.
- Determination of liability to tax on goods or services or both.
- GST Registration requirement of an applicant.
- Whether thing done by the applicant amounts to or results in the supply of goods or services or both.
- Other matters pertaining to GST Act and Rules.

Procedure for Making Advance Ruling Application

1. An applicant seeking an advance ruling must make an application in Form GST ARA-1 with the question along with the prescribed fees. The application form link is available on http://goagst.gov.in/Final_GST_Rules/advance-ruling-formats.pdf

2. Once the application is received, the Authority for Advance Ruling, it will be forwarded to the concerned officer for gathering the concerned records.

3. The Authority for Advance Ruling would then examine the advance ruling application along with the records furnished by the taxpayer and concerned officer.

4. Basis the findings, the Authority for Advance Ruling can pass an order admitting or rejecting the application. In case of rejection, the applicant must be provided an opportunity of being heard and the reason for rejection of the advance ruling application must be stated in the order.

5. The application for advance ruling will not be admitted in cases where the question raised in the application is already pending or decided in any proceedings in the case of an applicant under any of the provisions of the GST Act.

6. If the application for advance ruling is accepted, the Authority for Advance Ruling passes an order within 90 days of receipt of the application. Before the ruling, the Authority for Advance Ruling set dates for hearing the applicant and the concerned jurisdictional officers of GST.

7. In case of difference of opinion between two members of Authority for Advance Ruling, the matter will be referred to the Appellate Authority for Advance Ruling. The applicant seeking an advance ruling must make an application in Form GST ARA-2 with the question. The application form link is available on: http://goagst.gov.in/Final_GST_Rules/advance-ruling-formats.pdf
8. If the members of Appellate Authority for Advance Ruling are also unable to come to a decision, then the matter would be deemed that no advance ruling can be given in respect of the question raised by the taxpayer.

**Checklist of Documents to apply for Advance Ruling**

1. Duly filled GST ARA 01 Application
2. PAN (Non-Mandatory for non-resident users)
3. Legal Name of Business – validated against CBDT database.
4. Mobile number of Authorised Signatory
5. Email Address of Authorised Signatory
6. Challan Identification Number (CIN) of duty paid challan with the prescribed fee.
7. The question raised in the application should not be decided in any proceedings in the case of applicant under any provisions of the act.