

CHAPTER 19: ADVANCED RULING

Illustration 1

What is the meaning of Advance Ruling?

Solution

As per **Section 95 of the CGST Act**, 'advance ruling' means a decision provided by the authority or the Appellate Authority to an applicant on matters or on questions specified in **section 97(2) or 100(1) of the CGST Act** as the case may be, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant.

Illustration 2

What are the matters on which advance ruling can be sought?

Solution

The advance Ruling can be obtained on the following matters:

- a. Classification of any goods or services or both;
- b. Applicability of a notification issued under provisions of the Act;
- c. Determination of time and value of the supply of goods or services or both;
- d. Admissibility of input tax credit of tax paid or deemed to have been paid;
- e. Determination of the liability to pay tax on any goods or services or both;
- f. Whether applicant s required to be registered;
- g. Whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that team.

Illustration 3

To whom will the Advance Ruling be applicable?

Solution

An advance ruling pronounced by Authority for Advance Ruling or Appellate authority for advance ruling shall be binding only on the applicant and on the concerned officer or the jurisdictional officer in respect of the applicant. This clearly means that an advance ruling is not applicable to similarly place other taxable persons in the State. It is only limited to the person who has applied for an advance ruling.