

# Advance Ruling Mechanism in GST

An advance ruling helps the applicant in planning his activities, which are liable for payment of GST, well in advance. It provides certainty and transparency to a taxpayer with respect to an issue which may potentially cause a dispute with the tax administration. Further, it helps in avoiding long drawn and expensive litigation later.

The advance ruling given by the Authority can be appealed before an Appellate authority for Advance Ruling (AAAR).

## 1 Application for Advance Ruling

1.1 “Advance ruling” means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100 of the CGST Act, 2017, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant. Under the present dispensation, advance rulings can be given only for a proposed transaction, whereas under GST, Advance ruling can be obtained for a proposed transaction as well as a transaction already undertaken by the appellant.

1.2 Applicability:

An advance ruling pronounced by AAR or AAAR shall be binding only on the applicant who has sought the advance ruling 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 placed other taxable persons in the State. It is only limited to the person who has applied for an advance ruling.

## 2 Procedure of Application to the Authority for Advance Ruling

2.1 An applicant desirous of obtaining an advance ruling under the Karnataka Goods and Services Tax Act may make an application, stating the question on advance ruling shall be in respect of:

- a) Classification of any goods or services or both;
- b) Applicability of a notification issued under the provisions of this Act;
- c) Determination of time and value of 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 is 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 term.

- 2.2 The application shall clearly state the question on which the advance ruling is sought.
- 2.3 The fee is required to be deposited online only. In order to make the payment of fee for filing an application for Advance Ruling on the common portal, visit [www.gst.gov.in](http://www.gst.gov.in)

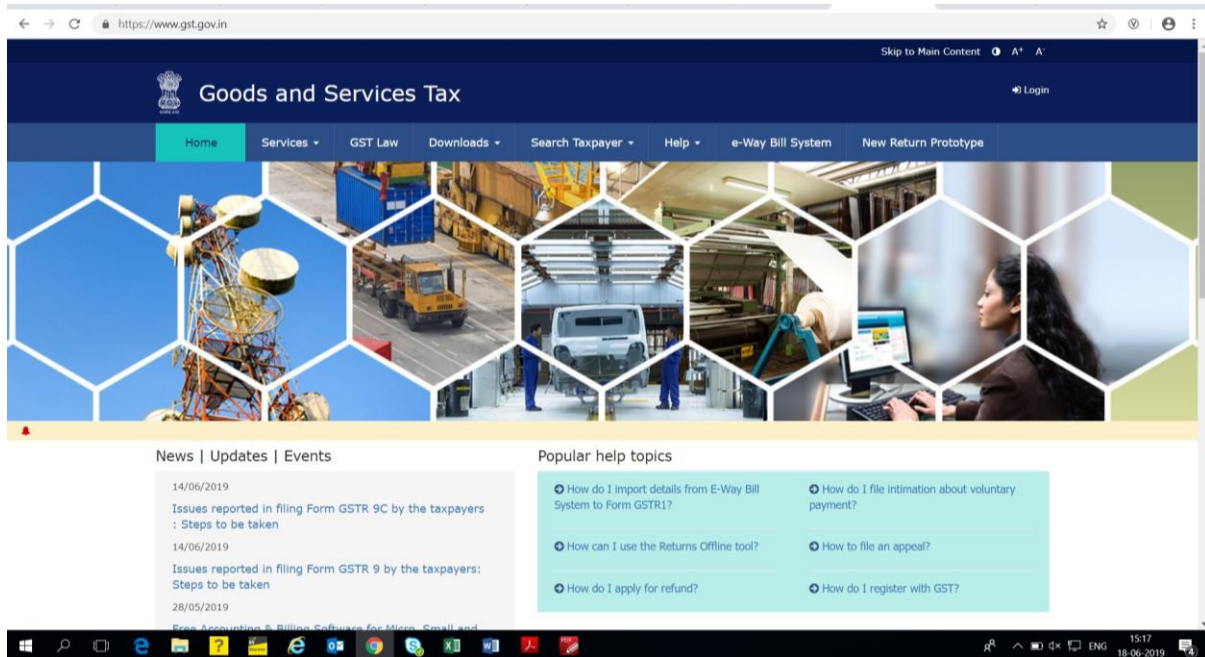


Figure 1: Common Portal <https://www.gst.gov.in/>

Click on section **Service**<**User Services**<**Generate User ID for Unregistered Applicant**

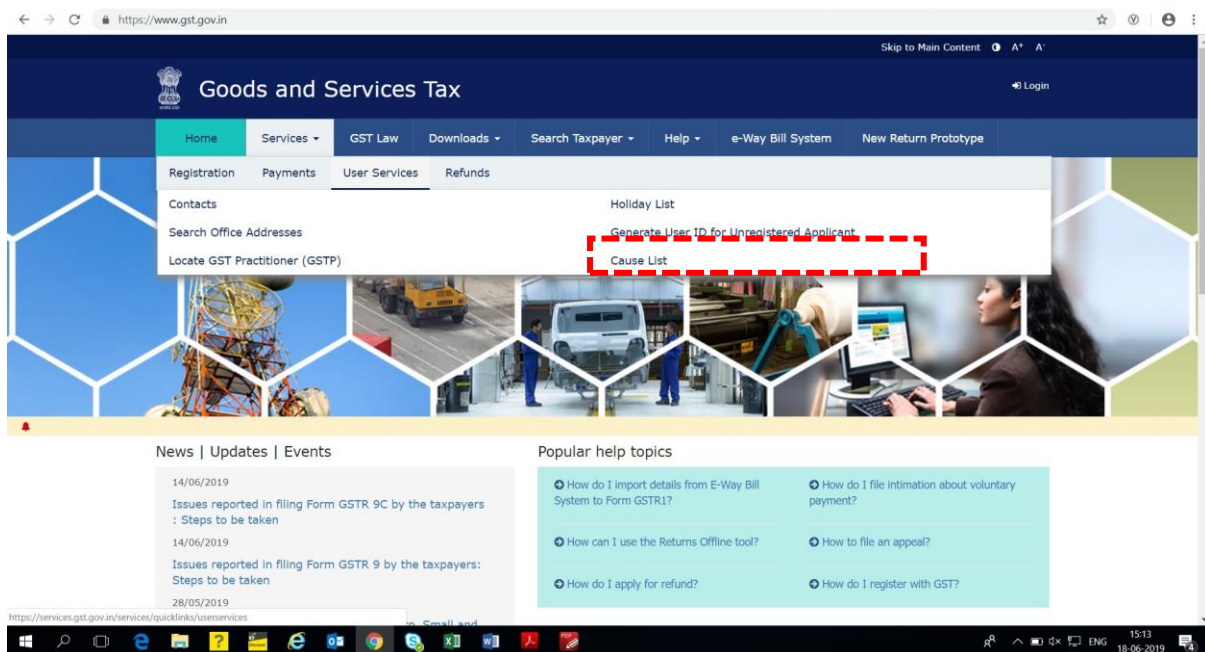


Figure 2: Screenshot for 'Generating User ID'

After clicking on Generate User Id for Advance Ruling the following screen will be displayed.

← → ↻ <https://reg.gst.gov.in/registration/generateuid> 🔍 ☆ 📱 | 👤 ⋮

Home > Services > User Services > Generate User ID for Unregistered Applicant English

1 — 2  
 User Credentials — OTP Verification

### New Registration for Unregistered Applicant

\* Indicates mandatory fields

Are You a Resident or Non-Resident \*

Resident  Non-Resident

State/UT for which User Id is required \*

Select

Legal Name of the Applicant (as mentioned in PAN) \*

Enter Legal Name of the Applicant (as mentioned in PAN)

Trade Name

Enter Trade Name

Constitution of Business (Select Appropriate) \*

Select

Permanent Account Number (PAN) of Applicant \*

Enter Permanent Account Number (PAN) of Applicant

[If you don't have PAN, Click here](#) to apply

Eg: A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

#### Details of Authorized Signatory

|                     |                                      |
|---------------------|--------------------------------------|
| Name *              | Permanent Account Number (PAN) *     |
| Enter Name          | Enter Permanent Account Number (PAN) |
| Email Address *     | Mobile Number                        |
| Enter Email Address | +91 Enter Mobile Number              |

Click on ADD button to add an Authorized Signatory. Maximum of 2 Authorized Signatories can be added.

**ADD**


#### Address of the Applicant

Type of Address \*

Indian  Foreign

|                               |  |                                   |
|-------------------------------|--|-----------------------------------|
| Building No. / Flat No. *     | Floor No.                              | Name of the Premises / Building   |
| Enter Building No. / Flat No. | Enter Floor No.                        | Enter Name of Premises / Building |
| Road / Street *               | City / Town / Locality / Village *     | State *                           |
| Enter Road / Street           | Enter City / Town / Locality / Village | Select                            |
| District *                    | PIN Code *                             | Country *                         |
| Select                        | Enter PIN Code                         | India                             |

Type the characters you see in the image below \*



**PROCEED**

↑ Top

Windows taskbar: 15:29, 18-06-2019, ENG, 4 notifications

Figure 3: Online portal for generating New User ID

One Time Password (OTP) shall be sent to the email id and mobile number, enter the Mobile OTP and Email OTP and click on the PROCEED button.

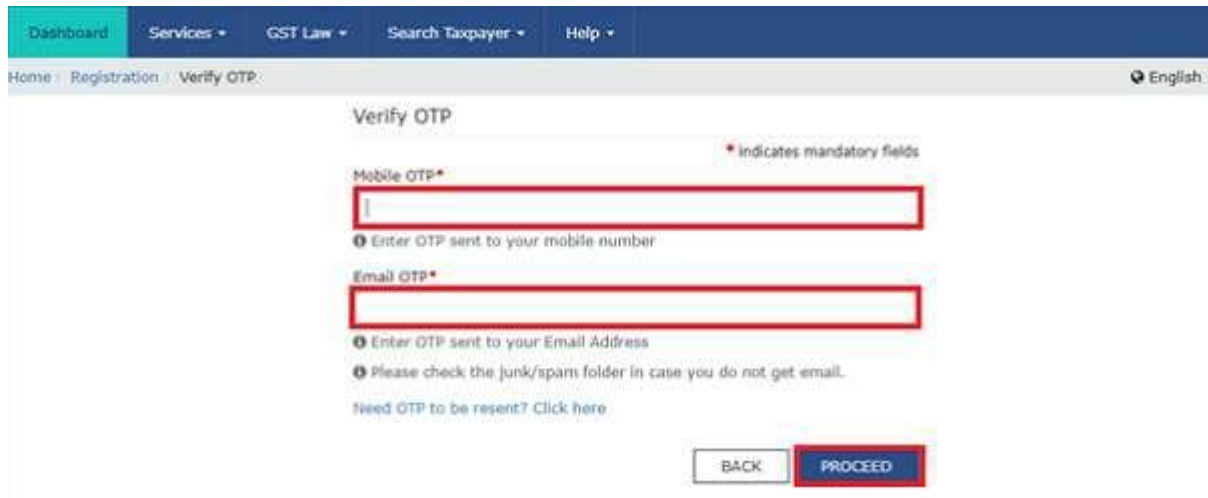


Figure 5: Verifying the mobile number



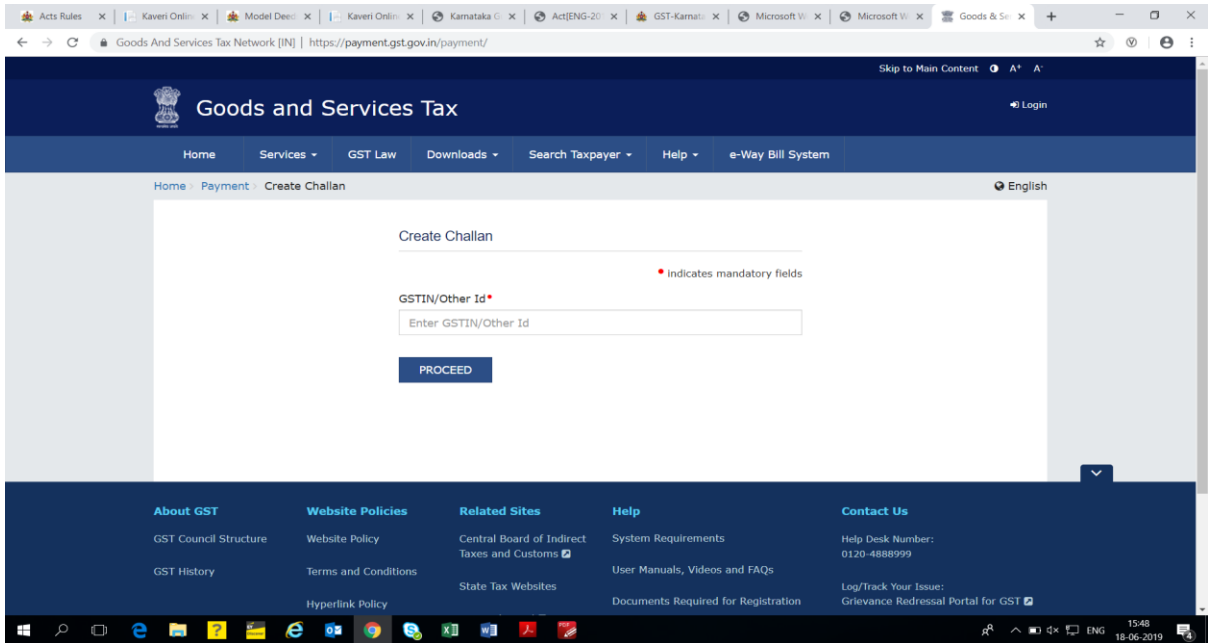
Figure 4: Confirmation message

Upon submission of OTP, system shall generate a 'Temporary ID' and send it to the declared email and mobile number of the applicant.

On the basis of this ID, the applicant can make the payment of the fee of Rs. 5,000/- each under the CGST and the respective SGST Act.

### Making Payment

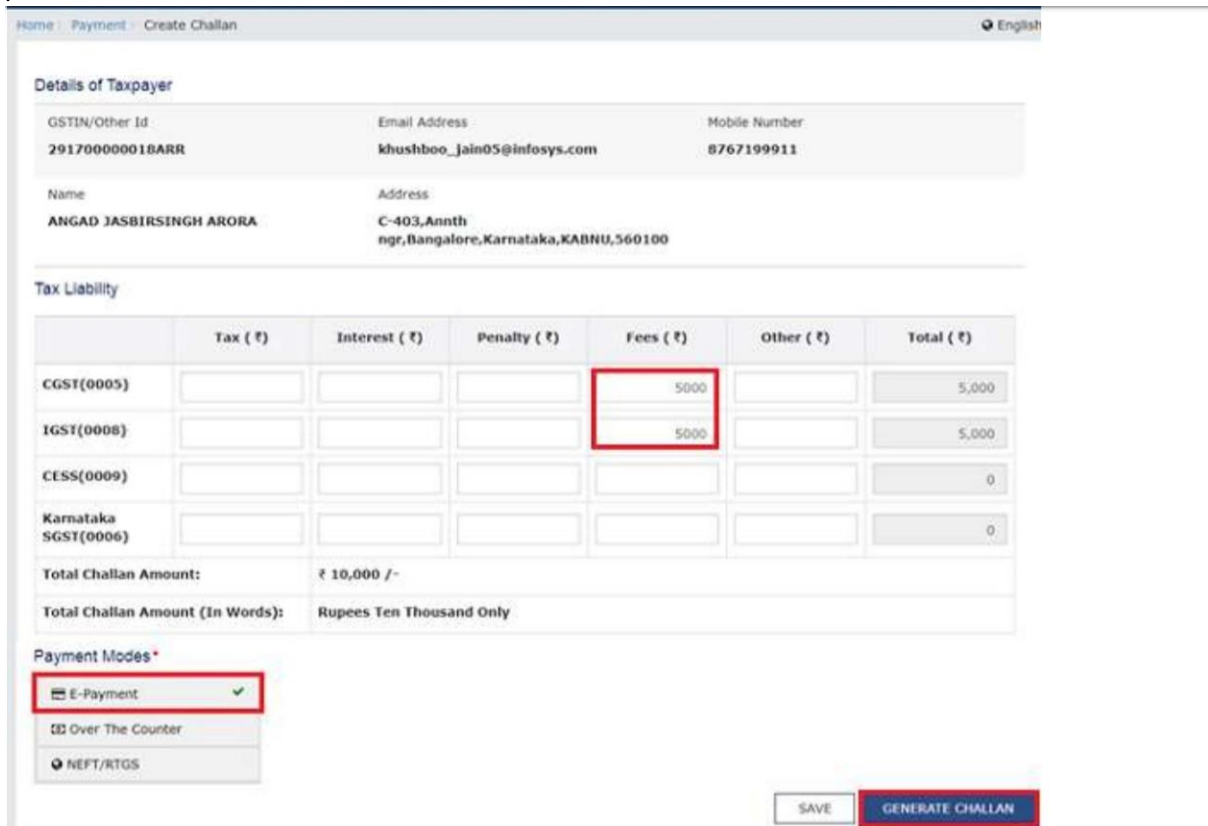
Once the 'Temporary ID is generated, again go to common portal - <https://www.gst.gov.in/> Click on the **Services > Payment > Create Challan command**.



Enter the 'Temporary ID' in the 'GSTIN/ Other' Id field

Enter the captcha text and click the PROCEED button

Enter the amount of Rs.5000/- for both CGST and SGST. Next, select the mode of payment and click the GENERATE CHALLAN button. OTP shall be sent on the declared mobile phone number

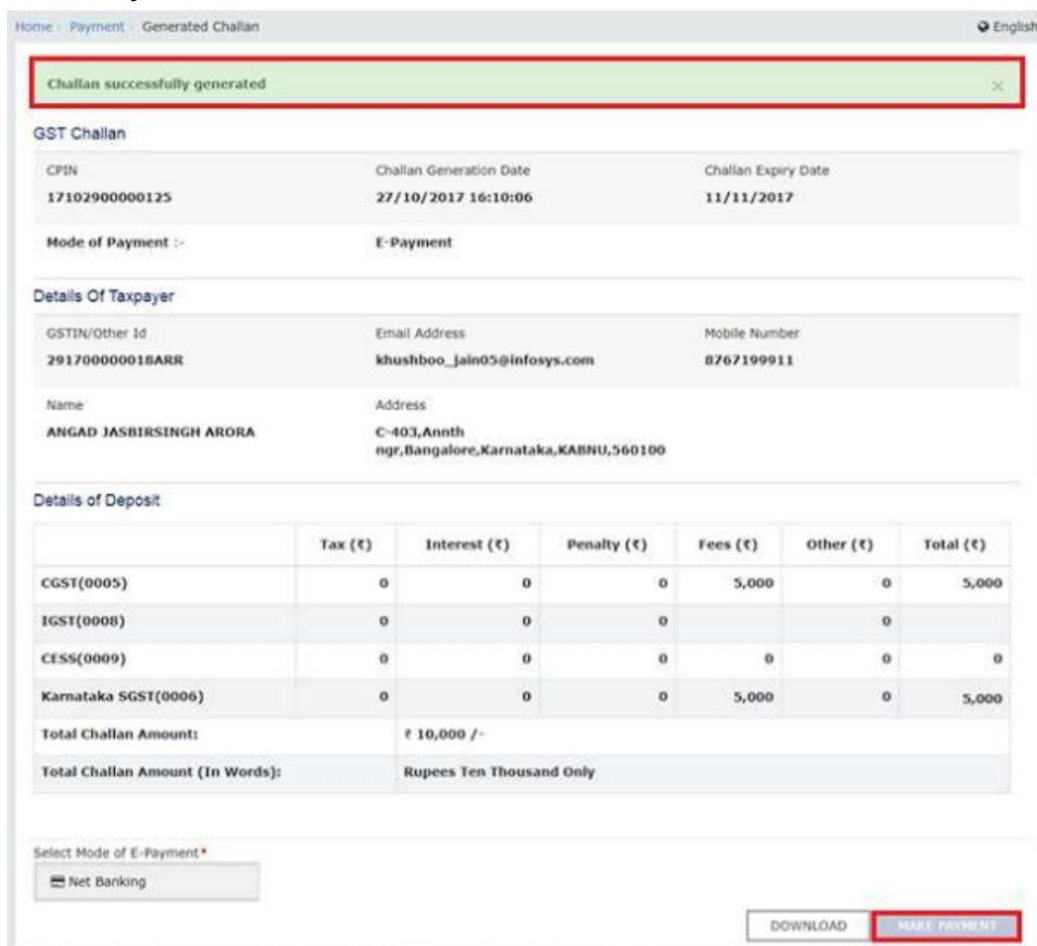


Enter the OTP in the OTP Authentication box and click the PROCEED button



Upon submission of OTP, system shall generate Challan successfully. Click the MAKE PAYMENT button and proceed with payment

Once the payment is made, one can track the payment using the **Services >Payment > Track Payment Status** command



|   | Tax (₹)                  | Interest (₹) | Penalty (₹) | Fees (₹) | Other (₹) | Total (₹) |
|---|--------------------------|--------------|-------------|----------|-----------|-----------|
| CGST(0005)                              | 0                        | 0            | 0           | 5,000    | 0         | 5,000     |
| IGST(0008)                              | 0                        | 0            | 0           |          | 0         |           |
| CESS(0009)                              | 0                        | 0            | 0           | 0        | 0         | 0         |
| Karnataka SGST(0006)                    | 0                        | 0            | 0           | 5,000    | 0         | 5,000     |
| <b>Total Challan Amount:</b>            | ₹ 10,000 /-              |              |             |          |           |           |
| <b>Total Challan Amount (In Words):</b> | Rupees Ten Thousand Only |              |             |          |           |           |

Figure 6: Payment Status

Once the payment is made, click on the **Downloads > Offline Tools > GST ARA 01 – Application for Advance Ruling** command.


- Offline Tools Proposed Return documents
- |                      |  |
|----------------------|--|
| Returns Offline Tool | Tran-1 Offline Tools                               |
| Tran-2 Offline Tools | GSTR3B Offline Utility                             |
| ITC01 Offline Tool   | ITC03 Offline Tool                                 |
| ITC04 Offline Tool   | <b>GST ARA 01 - Application for Advance Ruling</b> |
| GSTR 4 Offline Tool  | GSTR 6 Offline Tool With Amendments                |
| GSTR 11 Offline Tool | GSTR7 Offline Utility                              |
| GSTR8 Offline Tool   | GSTR10 Offline Tool                                |
| GSTR-9 Offline Tool  | GSTR-9A Offline Tool                               |
| GSTR-9C Offline Tool |  |

The zip file with the pdf copy of the Form GST ARA -01, Advance Ruling will be downloaded. Check the Downloads folder of your computer and print the form

**Form GST ARA -01**

*[See Rule 98]*

**Application Form for Advance Ruling**

|     |   |                    |                                 |
|-----|---|--------------------|---------------------------------|
| 1.  | GSTIN Number, if any/ User-id   |                    |                                 |
| 2.  | Legal Name of Applicant   |                    |                                 |
| 3.  | Trade Name of Applicant (Optional)  |                    |                                 |
| 4.  | Status of the Applicant [registered / un-registered]  |                    |                                 |
| 5.  | Registered Address / Address provided while obtaining user id                                     |                    |                                 |
| 6.  | Correspondence address, if different from above   |                    |                                 |
| 7.  | Mobile No. [with STD/ISD code]  |                    |                                 |
| 8.  | Telephone No. [with STD/ISD code]   |                    |                                 |
| 9.  | Email address   |                    |                                 |
| 10. | Jurisdictional Authority <<name, designation, address>>   |                    |                                 |
| 11. | i. Name of authorized representative  |                    | Optional                        |
|     | ii. Mobile No.  | iii. Email Address |                                 |
| 12. | Nature of activity(s) (proposed / present) in respect of which advance ruling sought              |                    |                                 |
|     | A. Category  |                    |                                 |
|     | Factory / Manufacturing   | Wholesale Business | Retail Business                 |
|     | Warehouse/Deport  | Bonded Warehouse   | Service Provision               |
|     | Office/Sale Office  | Leasing Business   | Service Recipient               |
|     | EOU/ STP/ EHTP  | SEZ                | Input Service Distributor (ISD) |
|     | Works Contract  |                    |                                 |
|     | B. Description (in brief)<br>(Provision for file attachment also)                                 |                    |                                 |
| 13. | Issue/s on which advance ruling required (Tick whichever is applicable) :-                        |                    |                                 |
|     | (i) classification of goods and/or services or both   |                    | <input type="checkbox"/>        |
|     | (ii) applicability of a notification issued under the provisions of the Act                       |                    | <input type="checkbox"/>        |



|     |   |   |
|-----|---|---|
|     | (iii) determination of time and value of supply of goods or services or both  | <input type="checkbox"/>                        |
|     | (iv) admissibility of input tax credit of tax paid or deemed to have been paid  | <input type="checkbox"/>                        |
|     | (v) determination of the liability to pay tax on any goods or services or both  | <input type="checkbox"/>                        |
|     | (vi) whether applicant is required to be registered under the Act   | <input type="checkbox"/>                        |
|     | (vii) whether any particular thing done by the applicant with respect to any goods and/or services or both amounts to or results in a supply of goods and/or services or both, within the meaning of that term                      | <input type="checkbox"/>                        |
| 14. | Question(s) on which advance ruling is required   |   |
| 15. | Statement of relevant facts having a bearing on the question(s) raised.   |   |
| 16. | Statement containing the applicant's interpretation of law and/or facts, as the case may be, in respect of the aforesaid question(s) (i.e. applicant's view point and submissions on issues on which the advance ruling is sought). |   |
| 17. | I hereby declare that the question raised in the application is not (tick) - <input checked="" type="checkbox"/>  |   |
|     | a. Already pending in any proceedings in the applicant's case under any of the provisions of the Act<br>b. Already decided in any proceedings in the applicant's case under any of the provisions of the Act                        |   |
| 18. | Payment details   | Challan Identification Number (CIN) –<br>Date - |

#### VERIFICATION

I, \_\_\_\_\_ (name in full and in block letters), son/daughter/wife of \_\_\_\_\_ do hereby solemnly declare that to the best of my knowledge and belief what is stated above and in the annexure(s), including the documents are correct. I am making this application in my capacity as \_\_\_\_\_ (designation) and that I am competent to make this application and verify it.

Signature

Place \_\_\_\_\_

Name of Applicant/Authorized Signatory

Date \_\_\_\_\_

Designation/Status

- 2.4 Fill the all details in the Form GST ARA -01, Advance Ruling
- 2.5 In the form - 'GSTIN Number, if any/ User-id field', enter the User ID which has been generated during the new registration process.
- 2.6 Fill the application form GST ARA-01 and a filled copy of the application along with payment challan and annexure of the question sought to be submitted to the office of the Advance ruling Authority.
- 2.7 On receipt of an application, a notice shall be issued to the applicant through mail intimating date and time to appear before the authority for Advance Ruling

The applicant or his authorized representative must appear before the authority for Advance Ruling at the scheduled date and time or if not possible to appear before the authority for Advance Ruling at the scheduled date and time he may seek the adjournment by filing the adjournment letter to the authority for Advance Ruling

- 2.8 At the time of personal hearing, the applicant or his authorized representative can make their submission relating to the facts of the case and issues involved on which advance ruling sought by the applicant
- 2.9 The Authority may, after examining the application and the records called for and after hearing the applicant or his authorised representative and the concerned officer or his authorised representative, by order, either admit or reject the application
- 2.10 Where the application is rejected, the reasons for such rejection shall be specified in the order. A copy of every order made shall be sent to the applicant and to the concerned officer
- 2.11 Where an application is admitted the Authority shall, after examining such further material as may be placed before it by the applicant or obtained by the Authority and after providing an opportunity of being heard to the applicant or his authorised representative as well as to the concerned officer or his authorised representative, pronounce its advance ruling on the question specified in the application
- 2.12 The Authority shall pronounce its advance ruling in writing within 90 days from the date of receipt of application
- 2.13 A copy of the advance ruling pronounced by the Authority duly signed by the members and certified in such manner as may be prescribed shall be sent to the applicant, the concerned officer and the jurisdictional officer after such pronouncement