

**Bill No. 99 of 2007**

THE AUTHORITY FOR ADVANCE RULINGS ON CENTRAL  
TAXES BILL, 2007

A

BILL

*to provide for the constitution of an Authority for Advance Rulings on Central Taxes as a substitute of the Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961 and the Authority for Advance Rulings (Central Excise, Customs and Service Tax) constituted under section 28F of the Customs Act, 1962, and for matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Authority for Advance Rulings on Central Taxes Act, 2007.

(2) It extends to the whole of India.

(3) This section shall come into force at once and the remaining provisions of this Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Short title,  
extent and  
commencement.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) "appointed day" means the date with effect from which the Authority is constituted under section 3;

(b) "Authority" means the Authority constituted under section 3;

(c) "Central taxes" means taxes or duties levied or collected under the Central Excise Act, 1944, the Income-tax Act, 1961, the Customs Act, 1962, the Customs Tariff Act, 1975, Chapter V of the Finance Act, 1994, and taxes or duties chargeable under any other law for the time being in force in the same manner as taxes or duties under any of the said Acts, as the case may be;

(d) "Chairperson" means the Chairperson of the Authority;

(e) "Member" means a Member of the Authority and includes the Chairperson;

(f) "prescribed" means prescribed by rules.

## CHAPTER II

### AUTHORITY FOR ADVANCE RULINGS ON CENTRAL TAXES

Constitution of Authority.

3. The Central Government shall, by notification in the Official Gazette, constitute an Authority for giving advance rulings on Central taxes, to be called as the Authority for Advance Rulings on Central Taxes.

Composition of Authority.

4. **The Authority shall consist of the following Members appointed by the Central Government, namely:—**

(a) **a Chairperson, who is a retired Judge of the Supreme Court;**

(b) **an officer of the Indian Revenue Service, who is, or has been, or is qualified to be, a Member of the Central Board of Direct Taxes;**

(c) **an officer of the Indian Revenue Service (Customs and Central Excise), who is, or has been, or is qualified to be, a Member of the Central Board of Excise and Customs;**

(d) **an officer of the Indian Legal Service, who is, or has been, or is qualified to be, an Additional Secretary to the Government of India:**

**Provided that for giving advance rulings—**

(i) **under the Income-tax Act, 1961, the Authority shall exclude the Member under clause (c); and**

(ii) **under the Acts other than the Income-tax Act, 1961, the Authority shall exclude the Member under clause (b).**

Term of office of Members.

5. The Chairperson or other Member shall hold office as such for a term of five years from the date on which he enters upon his office or until he attains,—

(a) in the case of the Chairperson, the age of seventy years; and

(b) in the case of any other Member, the age of sixty-five years,

whichever is earlier.

Salary, allowances, pension and other conditions of service of Members.

6. The salary, allowances and pension payable to, and other conditions of service of, the Members shall be such, as may be prescribed by the Central Government.

Vacancies, etc., not to invalidate proceedings.

7. No proceeding before, or pronouncement of advance ruling by, the Authority shall be questioned or be invalid on the ground merely of the existence of any vacancy or defect in the constitution of the Authority.

<p>1 of 1944. 43 of 1961. 52 of 1962. 32 of 1994.</p>	<p><b>8.</b> (1) The Authority shall exercise such powers and discharge such functions, as have been conferred on it under the Central Excise Act, 1944, the Income-tax Act, 1961, the Customs Act, 1962, the Finance Act, 1994, this Act, or any other Act.</p>	<p>Powers and functions of Authority.</p>
<p>5 of 1908.</p>	<p>(2) The Authority shall, for the purposes of exercising its powers regarding discovery and inspection, summoning and enforcing the attendance of any person and examining him on oath, issuing commissions for the examination of witnesses or documents, compelling production of books of accounts, other records and documents, have all the powers of a civil court under the Code of Civil Procedure, 1908.</p>	
<p>45 of 1860. 2 of 1974.</p>	<p><b>9.</b> Every proceeding before the Authority shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purpose of section 196 of the Indian Penal Code, and the Authority shall be deemed to be a civil court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973.</p>	<p>Proceedings before Authority to be judicial proceedings.</p>
	<p><b>10.</b> The Authority shall have power to regulate its own procedure in all matters arising out of the exercise of its powers.</p>	<p>Procedure of Authority.</p>
	<p><b>11.</b> The Central Government shall, in consultation with the Authority, provide the Authority with such officers and staff, as may be necessary, for the exercise of the powers and discharge of the functions of the Authority.</p>	<p>Staff of Authority.</p>
	<p><b>12.</b> The office of the Authority shall be located in Delhi.</p>	<p>Location of Authority.</p>
	<p><b>CHAPTER III</b></p> <p><b>MISCELLANEOUS</b></p>	
<p>43 of 1961. 52 of 1962.</p>	<p><b>13.</b> (1) On and from the appointed day, the Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961 and the Authority for Advance Rulings (Central Excise, Customs and Service Tax) constituted under section 28F of the Customs Act, 1962 shall stand abolished.</p>	<p>Abolition of existing Authorities.</p>
	<p>(2) The Chairperson and other Members of the Authorities under sub-section (1) shall be deemed to be the Chairperson and other Members of the Authority constituted under section 3 for the remainder of their respective tenures in the Authorities abolished.</p>	
	<p>(3) The officers and other employees of the Authorities under sub-section (1), appointed to the sanctioned posts, shall be deemed to be the officers and other employees of the Authority constituted under section 3.</p>	
<p>43 of 1961. 74 of 1956. 52 of 1962.</p>	<p><b>14.</b> Every application or other proceeding pending before the Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961, functioning as such and as the Central Sales Tax Appellate Authority under sub-section (1) of section 24 of the Central Sales Tax Act, 1956, and the Authority for Advance Rulings (Central Excise, Customs and Service Tax) constituted under section 28F of the Customs Act, 1962, shall stand transferred to the Authority on the appointed day.</p>	<p>Transfer of pending cases.</p>
	<p><b>15.</b> No suit, prosecution or other legal proceedings shall lie against the Authority, or against the Chairperson or other Member, or any other person authorised by any of them for anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.</p>	<p>Protection of action taken in good faith.</p>
	<p><b>16.</b> (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act.</p>	<p>Power to make rules.</p>
	<p>(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for salary, allowances and pension payable to, and other conditions of service of, the Members under section 6.</p>	
	<p>(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid,</p>	

both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to  
remove  
difficulties.

**17.** (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the appointed day.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

#### CHAPTER IV

##### AMENDMENT OF CERTAIN ENACTMENTS

Amendment  
of Central  
Excise Act,  
1944.

**18.** In the Central Excise Act, 1944,—

1 of 1944.

(a) in section 23A, for clause (e), the following clause shall be substituted, namely:—

'(e) "Authority" means the Authority constituted under section 3 of the Authority for Advance Rulings on Central Taxes Act, 2007;'

(b) sections 23B, 23G and 23H shall be omitted.

Amendment  
of Central  
Sales Tax Act,  
1956.

**19.** In the Central Sales Tax Act, 1956,—

74 of 1956.

(a) in section 19, for sub-section (2A), the following sub-section shall be substituted, namely:—

"(2A) Notwithstanding anything contained in sub-section (2), the Chairperson or a Member holding a post as such in the Authority for Advance Rulings on Central Taxes appointed under clause (a) or clause (d), as the case may be, of section 4 of the Authority for Advance Rulings on Central Taxes Act, 2007 may, in addition to his being the Chairperson or a Member of that Authority, be appointed as the Chairman or a Member, as the case may be, of the Authority under this Act.";

(b) in section 24,—

(i) in sub-section (1), for the words, figures and letter "the Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961", the words and figures "the Authority for Advance Rulings on Central Taxes constituted under section 3 of the Authority for Advance Rulings on Central Taxes Act, 2007" shall be substituted;

43 of 1961.

(ii) in sub-section (2), for the words "the Authority for Advance Rulings", the words "the Authority for Advance Rulings on Central Taxes" shall be substituted.

Amendment  
of Income-  
tax Act,  
1961.

**20.** In the Income-tax Act, 1961,—

43 of 1961.

(a) in section 153, in sub-section (3), in *Explanation I*, for the words "Authority for Advance Rulings", at both the places where they occur, the words "Authority for Advance Rulings on Central Taxes" shall be substituted;

(b) in section 153B, in sub-section (1), in *Explanation*, for the words "Authority for Advance Rulings", at both the places where they occur, the words "Authority for Advance Rulings on Central Taxes" shall be substituted;

(c) in section 245N,—

(i) for clause (d), the following clause shall be substituted, namely:—

'(d) "Authority" means the Authority constituted under section 3 of the Authority for Advance Rulings on Central Taxes Act, 2007;';

(ii) clauses (e) and (f) shall be omitted;

(d) sections 245-O, 245P, 245U and 245V shall be omitted.

52 of 1962.

**21.** In the Customs Act, 1962,—

Amendment of  
Customs Act,  
1962.

(a) in section 28E,—

(i) for clause (e), the following clause shall be substituted, namely:—

'(e) "Authority" means the Authority constituted under section 3 of the Authority for Advance Rulings on Central Taxes Act, 2007;';

(ii) clauses (f) and (g) shall be omitted;

(b) sections 28F, 28G, 28L and 28M shall be omitted.

32 of 1994.

**22.** In the Finance Act, 1994, in Chapter VA,—

Amendment of  
Chapter VA of  
Finance Act,  
1994.

(a) in section 96A, for clause (d), the following clause shall be substituted, namely:—

'(d) " Authority" means the Authority constituted under section 3 of the Authority for Advance Rulings on Central Taxes Act, 2007;';

(b) sections 96B, 96G and 96H shall be omitted.

## STATEMENT OF OBJECTS AND REASONS

At present, there are two Authorities for Advance Rulings, one constituted under section 245-O of the Income-tax Act, 1961, which has under section 24 of the Central Sales Tax Act, 1956, also been notified as the Central Sales Tax Appellate Authority, and the other constituted under section 28F of the Customs Act, 1962, which is also an Authority for Advance Rulings under the Central Excise Act, 1944 and the Finance Act, 1994 for purposes of Service Tax. These Authorities, called as "Authority for Advance Rulings (Income-tax)" and "Authority for Advance Rulings (Central Excise, Customs and Service Tax)", have been established to enable applicants to obtain, in advance, binding rulings from the said Authorities on issues which may arise in the determination of their tax liabilities.

2. While reviewing the performance of the said Authorities on Advance Rulings, it was noticed that these Authorities did not have adequate work to justify separate Authorities with separate establishments. A decision was, therefore, taken to constitute a common Authority for Advance Rulings for performing the functions of these Authorities. For this purpose, it is necessary to enact a separate legislation. Hence, the Authority for Advance Rulings on Central Taxes Bill, 2007, for constituting an Authority for Advance Rulings on Central Taxes. Consequential amendments to the relevant provisions of the Income-tax Act, 1961, the Customs Act, 1962, the Central Excise Act, 1944, the Central Sales Tax Act, 1956 and the Finance Act, 1994 are also sought to be done through the Bill.

3. The Bill seeks to achieve the above objects.

NEW DELHI;

*The 30th November, 2007.*

P. CHIDAMBARAM.

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## PRESIDENT'S RECOMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

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[Copy of letter No. 29/5/2005-Ad.IC, dated the 3rd December, 2007 from Shri P. Chidambaram, Minister of Finance to the Secretary-General, Lok Sabha.]

The President, having been informed of the subject matter of the proposed Authority for Advance Rulings on Central Taxes Bill, 2007, recommends under clause (1) of article 117 of the Constitution of India, the introduction of the above Bill in Lok Sabha.

## FINANCIAL MEMORANDUM

The Authority for Advance Rulings on Central Taxes Bill, 2007, seeks to provide for the constitution of the Authority for Advance Rulings on Central Taxes consisting of a Chairperson and three Members. As the Authority will be in lieu of the existing Authority for Advance Rulings (Income-Tax) and Authority for Advance Rulings (Central Excise, Customs and Service Tax), each consisting of a Chairperson and two Members, there will be no extra expenditure in constituting the Authority for Advance Rulings on Central Taxes and its supporting staff.

#### MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (1) of clause 16 of the Authority for Advance Rulings on Central Taxes Bill, 2007, seeks to empower the Central Government to make, by notification in the Official Gazette, rules for carrying out the provisions of the said Bill. Sub-clause (2) of the said clause specifies that such rules may be made for salary, allowances and pension payable to and other conditions of service of the Members, which includes the Chairperson.

2. The rules made by the Central Government shall be laid, as soon as may be after they are made, before each House of Parliament.

3. The matters in respect of which the rules may be made are generally matters of procedure and administrative detail and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.



ANNEXURE

EXTRACTS FROM THE CENTRAL EXCISE ACT, 1944

(1 OF 1944)

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CHAPTER III—A

ADVANCE RULINGS

**23A.** In this Chapter, unless the context otherwise requires,—

Definitions.

\* \* \* \* \*

52 of 1962. (e) "Authority" means the Authority for Advance Rulings (Central Excise, Customs and Service tax) constituted under section 28F of the Customs Act, 1962.

\* \* \* \* \*

**23B.** No proceeding before, or pronouncement of advance ruling by, the Authority under this Chapter shall be questioned or shall be invalid on the ground merely of the existence of any vacancy or defect in the constitution of the Authority.

Vacancies, etc., not to invalidate proceedings.

\* \* \* \* \*

5 of 1908. **23G.** (1) The Authority shall, for the purpose of exercising its powers regarding discovery and inspection, enforcing the attendance of any person and examining him on oath, issuing commissions and compelling production of books of account and other records, have all the powers of a civil court under the Code of Civil Procedure, 1908.

Powers of Authority.

2 of 1974. (2) The Authority shall be deemed to be a civil court for the purposes of section 195, but not for the purposes of Chapter XXVI of the Code of Criminal Procedure, 1973 and every proceeding before the Authority shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purpose of section 196, of the Indian Penal Code.

45 of 1860.

**23H.** The Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure in all matters arising out of the exercise of its powers under this Act.

Procedure of Authority.

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EXTRACTS FROM THE CENTRAL SALES TAX ACT, 1956

(74 OF 1956)

\* \* \* \* \*

CHAPTER VI

AUTHORITY TO SETTLE DISPUTES IN COURSE OF INTER-STATE TRADE OR COMMERCE

**19.** (1) \* \* \* \* \*

Central Sales Tax Appellate Authority.

43 of 1961. (2A) Notwithstanding anything contained in sub-section (2), the Chairman or a Member holding a post as such in the Authority for Advance Rulings appointed under clause (a) or clause (c), as the case may be, of sub-section (2) of section 245-O of the Income-Tax Act, 1961 may, in addition to his being the Chairman or a Member of that Authority, be appointed as the Chairman, or a Member, as the case may be, of the Authority under this Act.

\* \* \* \* \*

43 of 1961. **24.** (1) Notwithstanding anything contained in any other law for the time being in force and in section 19 of this Act, the Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961 shall be notified by the Central Government in the official Gazette, with such modifications as may be necessary, to make its composition in

Authority for Advance Rulings to function as Authority under this Act.

conformity with section 19 of this Act, as the Authority under this Act till such time an Authority is constituted under that section.

(2) On and from the date of the constitution of the Authority in accordance with the provisions of section 19 of this Act, the proceedings pending with the Authority for Advance Rulings shall stand transferred to the Authority constituted under that section from the stage at which such proceedings stood before the date of constitution of the said Authority.

\* \* \* \* \*

EXTRACTS FROM THE INCOME-TAX ACT, 1961

(43 OF 1961)

Time limit  
for comple-  
tion of assess-  
ments and re-  
assessments.

**153. (1)\* \* \* \* \***

(3) The provisions of sub-sections (1), (1A), (1B) and (2) shall not apply to the following classes of assessments, reassessments and recomputations which may, subject to the provisions of sub-section (2A), be completed at any time—

\* \* \* \* \*

(ii) where the assessment, reassessment or recomputation is made on the assessee or any person in consequence of or to give effect to any finding or direction contained in an order under section 250, 254, 260, 262, 263, or 264 or in an order of any court in a proceeding otherwise than by way of appeal or reference under this Act;

(iii) where, in the case of a firm, an assessment is made on a partner of the firm in consequence of an assessment made on the firm under section 147.

*Explanation 1.*—In computing the period of limitation for the purposes of this section—

(i) the time taken in reopening the whole or any part of the proceeding or in giving an opportunity to the assessee to be re-heard under the proviso to section 129, or

(ii) the period during which the assessment proceeding is stayed by an order or injunction of any court, or

(iia) the period commencing from the date on which the Assessing Officer intimates the Central Government or the prescribed authority, the contravention of the provisions of clause (21) or clause (22B) or clause (23A) or clause (23B) or sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) section 10, under clause (i) of the proviso to sub-section (3) of section 143 and ending with the date on which the copy of the order withdrawing the approval or rescinding the notification, as the case may be, under those clauses is received by the Assessing Officer.

(iii) the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited under sub-section (2A) of section 142 and ending with the last date on which the assessee is required to furnish a report of such audit under that sub-section, or

\* \* \* \* \*

(iva) the period (not exceeding sixty days) commencing from the date on which the Assessing Officer received the declaration under sub-section (1) of section 158A and ending with the date on which the order under sub-section (3) of that section is made by him, or

(v) in a case where an application made before the Income-tax settlement Commission under section 245C is rejected by it or is not allowed to be proceeded with

by it, the period commencing from the date on which such application is made and ending with the date on which the order under sub-section (1) of section 245D is received by the Commissioner under sub-section (2) of that section, or

(vi) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the Commissioner under sub-section (3) of section 245R, or

(vii) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the Commissioner under sub-section (7) of section 245R,

shall be excluded:

Provided that where immediately after the exclusion of the aforesaid time or period, the period of limitation referred to in sub-sections (1), (1A), (1B), (2) and (2A) available to the Assessing Officer for making an order of assessment, reassessment or recomputation, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly.

*Explanation 2.*—Where, by an order referred to in clause (ii) of sub-section (3) any income is excluded from the total income of the assessee for an assessment year, then, an assessment of such income for another assessment year shall, for the purposes of section 150 and this section, be deemed to be one made in consequence of or to give effect to any finding or direction contained in the said order.

*Explanation 3.*—Where, by an order referred to in clause (ii) of sub-section (3), any income is excluded from the total income of one person and held to be the income of another person, then, an assessment of such income on such other person shall, for the purposes of section 150 and this section, be deemed to be one made in consequence of or to give effect to any finding or direction contained in the said order, provided such other person was given an opportunity of being heard before the said order was passed.

\* \* \* \* \*

**153B.** (1) Notwithstanding anything contained in section 153, the Assessing Officer shall make an order of assessment or reassessment.—

(a) in respect of each assessment year falling within six assessment years referred to in clause (b) of section 153A, within a period of two years from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed;

(b) in respect of the assessment year relevant to the previous year in which search is conducted under section 132 or requisition is made under section 132A, within a period of two years from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed:

Provided that in case of other person referred to in section 153C, the period of limitation for making the assessment or reassessment shall be the period as referred to in clause (a) or clause (b) of this sub-section or one year from the end of the financial year in which books of account or documents or assets seized or requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later.

Provided further that in the case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed during the financial year commencing on the 1st day of April, 2004 or any subsequent financial year,—

Time limit for completion of assessment under section 153A.

(i) the provisions of clause (a) or clause (b) of this sub-section shall have effect as if for the words "two years" the words "twenty-one months" had been substituted;

(ii) the period of limitation for making the assessment or reassessment in case of other person referred to in section 153C, shall be the period of twenty-one months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed or nine months from the end of the financial year in which books of account or documents or assets seized or requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later.

*Explanation.*—In computing the period of limitation for the purposes of this section,—

(i) the period during which the assessment proceeding is stayed by an order or injunction of any court; or

(ii) the period commencing from the day on which the Assessing Officer directs the assessee to get his accounts audited under sub-section (2A) of section 142 and ending on the day on which the assessee is required to furnish a report of such audit under that sub-section; or

(iii) the time taken in reopening the whole or any part of the proceeding or in giving an opportunity to the assessee of being re-heard under the proviso to section 129; or

(iv) in a case where an application made before the Settlement Commission under section 245 is rejected by it or is not allowed to be proceeded with by it, the period commencing from the date on which such application is made and ending with the date on which the order under sub-section (1) of section 245D is received by the commissioner under sub-section (2) of that section, or

(v) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the Commissioner under sub-section (3) of section 245R, or

(vi) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the Commissioner under sub-section (7) of section 245R,

shall be excluded:

Provided that where immediately after the exclusion of the aforesaid period, the period of limitation referred to in clause (a) or clause (b) of this section available to the Assessing Officer for making an order of assessment or reassessment, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly.

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CHAPTER XIX—B

ADVANCE RULINGS

Definitions.

**245N.** In this Chapter, unless the context otherwise requires,—

\* \* \* \* \*

(d) "Authority" means the Authority for Advance Rulings constituted under section 245-O;

(e) "Chairman" means the Chairman of the Authority;

(f) "Member" means a Member of the Authority and includes the Chairman.

Authority for Advance Rulings.

**245-O.** (1) The Central Government shall constitute an Authority for giving advance rulings, to be known as "authority for Advance Rulings".

(2) The Authority shall consist of the following Members appointed by the Central Government, namely:—

(a) a Chairman, who is a retired Judge of the supreme Court;

(b) an Officer of the Indian Revenue Service who is qualified to be a member of the Central Board of Direct Taxes;

(c) an Officer of the Indian Legal Service who is, or is qualified to be, an Additional Secretary to the Government of India.

(3) The salaries and allowances payable to, and the terms and conditions of service of, the Members shall be such as may be prescribed.

(4) The Central Government shall provide the Authority with such officers and staff as may be necessary for the efficient exercise of the powers of the Authority under this Act.

(5) The office of the Authority shall be located in Delhi.

**245P.** No proceeding before, or pronouncement of advance ruling by, the Authority shall be questioned or shall be invalid on the ground merely of the existence of any vacancy or defect in the constitution of the Authority.

Vacancies, etc., not to invalidate proceedings.

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5 of 1908. **245U.** (1) The Authority shall, for the purpose of exercising its powers, have all the powers of a civil court under the Code of Civil Procedure, 1908 as are referred to in section 131 of this Act.

Powers of the Authority.

2 of 1974. (2) The Authority shall be deemed to be a civil court for the purposes of section 195, but not for the purposes of Chapter XXVI, of the Code of Criminal Procedure, 1973 and every proceeding before the Authority shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purpose of section 45 of 1860. 196 of the Indian Penal code.

**245V.** The Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure in all matters arising out of the exercise of its powers under this Act.

Procedure of Authority.

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EXTRACTS FROM THE CUSTOMS ACT, 1962

(52 OF 1962)

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CHAPTER VB

ADVANCE RULINGS

**28E.** In this Chapter, unless the context otherwise requires,—

Definitions.

\* \* \* \* \*

(e) "Authority" means the Authority for Advance Rulings (Central Excise, Customs and Service Tax) constituted under section 28F;

(f) "Chairperson" means the Chairperson of the Authority;

(g) "Member" means a Member of the Authority and includes the Chairperson; and

\* \* \* \* \*

**28F.** (1) The Central Government shall, by notification in the Official Gazette, constitute an Authority for giving advance rulings, to be called as the Authority for Advance Rulings Central Excise, Customs & Service Tax.

Authority for advance rulings.

(2) The Authority shall consist of the following Members appointed by the Central Government, namely:—

(a) A Chairperson, who is a retired Judge of the Supreme court;

(b) an officer of the Indian Customs and Central Excise Service who is qualified to be a Member of the Board;

(c) an officer of the Indian Legal Service who is, or is qualified to be, an Additional Secretary to the Government of India.

(3) The salaries and allowances payable to, and the terms and conditions of service of, the Members shall be such as the Central Government may by rules determine.

(4) The Central Government shall provide the Authority with such officers and staff as may be necessary for the efficient exercise of the powers of the Authority under this Act.

(5) The office of the Authority shall be located in Delhi.

Vacancies,  
*etc.*, not to  
invalidate  
proceedings.

**28G.** No proceeding before, or pronouncement of advance ruling by, the Authority under this Chapter shall be questioned or shall be invalid on the ground merely of the existence of any vacancy or defect in the constitution of the Authority.

\* \* \* \* \*

Powers of  
Authority.

**28L.** (1) The Authority shall, for the purpose of exercising its powers regarding discovery and inspection, enforcing the attendance of any person and examining him on oath, issuing commissions and compelling, production of books of account and other records, have all the powers of a civil court under the code of Civil Procedure, 1908.

5 of 1908.

(2) The Authority shall be deemed to be a civil court for the purposes of section 195, but not for the purposes of Chapter XXVI of the Code of Criminal Procedure, 1973, and every proceeding before the Authority shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purpose of section 196, of the Indian Penal code.

2 of 1974.

45 of 1860.

Procedure of  
Authority.

**28M.** The Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure in all matters arising out of the exercise of its powers under this Act.

#### EXTRACTS FROM THE FINANCE ACT, 1994

(32 OF 1994)

\* \* \* \* \*

#### CHAPTER VA

##### ADVANCE RULINGS

Definitions.

**96A.** In this Chapter, unless the context otherwise requires,—

\* \* \* \* \*

(d) "Authority" means the Authority for Advance Rulings (Central Excise, Customs and Service Tax) constituted under section 28F of the Customs Act, 1962;

52 of 1962.

\* \* \* \* \*

Vacancies, *etc.*,  
not to  
invalidate  
proceedings.

**96B.** No proceeding before, or pronouncement of advance ruling by, the Authority under this Chapter shall be questioned or shall be invalid on the ground merely of the existence of any vacancy or defect in the constitution of the Authority.

\* \* \* \* \*

Powers of  
Authority.

**96G.** (1) The Authority shall, for the purpose of exercising its powers regarding discovery and inspection, enforcing the attendance of any person and examining him on oath, issuing commissions and compelling production of books of account and other records, have all the powers of a civil court under the Code of Civil Procedure, 1908.

5 of 1908.

2 of 1974. (2) The Authority shall be deemed to be a civil court for the purposes of section 195,  
45 of 1860. but not for the purposes of Chapter XXVI of the code of Criminal Procedure, 1973, and every  
proceeding before the Authority shall be deemed to be a judicial proceeding within the  
meaning of sections 193 and 228, and for the purpose of section 196 of the Indian Penal  
Code.

**96H.** The Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure in all matters arising out of the exercise of its powers under this Act. Procedure of authority.

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LOK SABHA

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**BILL**

to provide for the constitution of an Authority for Advance Rulings on Central Taxes as a substitute of the Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961 and the Authority for Advance Rulings (Central Excise, Customs and Service Tax) constituted under section 28F of the Customs Act, 1962, and for matters connected therewith or incidental thereto.

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*(Shri P. Chidambaram, Minister of Finance)*