

Bill No. 159 of 2023

THE CENTRAL GOODS AND SERVICES TAX
(SECOND AMENDMENT) BILL, 2023

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BILL

further to amend the Central Goods and Services Tax Act, 2017.

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

1. This Act may be called the Central Goods and Services Tax (Second Amendment) Act, 2023. Short title.

12 of 2017. 5 **2.** In section 110 of the Central Goods and Services Tax Act, 2017,— Amendment of section 110.

(A) in sub-section (I),—

(I) in clause (b), after sub-clause (ii), the following sub-clause shall be inserted, namely:—

10 "(iii) has been an advocate for ten years with substantial experience in litigation in matters relating to indirect taxes in the Appellate Tribunal,

Customs, Excise and Service Tax Appellate Tribunal, State Value Added Tax Tribunal, by whatever name called, High Court or Supreme Court;";

(II) the following proviso shall be inserted, namely:—

"Provided that a person who has not completed the age of fifty years shall not be eligible for appointment as the President or Member."; 5

(B) in sub-section (9), for the words, "sixty-seven years, whichever is earlier and shall be eligible for re-appointment for a period not exceeding two years", the words "seventy years, whichever is earlier and shall be eligible for re-appointment for a period not exceeding two years subject to the age-limit specified above" shall be substituted; 10

(C) in sub-section (10), for the words, "sixty-five years, whichever is earlier and shall be eligible for re-appointment for a period not exceeding two years", the words "sixty-seven years, whichever is earlier and shall be eligible for re-appointment for a period not exceeding two years subject to the age-limit specified above" shall be substituted. 15

STATEMENT OF OBJECTS AND REASONS

Section 109 of the Central Goods and Services Tax Act, 2017 (12 of 2017) provides for Constitution of Goods and Services Tax Appellate Tribunal, which is the second appellate authority within the Goods and Services Tax framework for hearing appeals against the orders passed by the Appellate Authority under the Central Goods and Services Tax Act, 2017 and the State Goods and Services Tax Acts. Non-constitution of the Goods and Services Tax Appellate Tribunals is denying the taxpayers of second appellate remedy and consequently the taxpayers are seeking relief directly from the High Court, thereby burdening the High Courts.

2. The amendments to sections 109 and 110 of the Central Goods and Services Tax Act, 2017 for enabling the creation of the Central Goods and Services Tax Appellate Tribunals were notified *vide* notification No. 28/2023-Central Tax dated 31st July, 2023. During the process of operationalisation of the said Tribunal, it was observed that certain provisions of the Central Goods and Services Tax Act, 2017 need to be aligned with the Tribunal Reforms Act, 2021 (33 of 2021).

3. Accordingly, the provisions of the Central Goods and Services Tax Act, 2017 are being aligned with the Tribunal Reforms Act, 2021, to initiate the administrative process for operationalisation of the Goods and Services Tax Appellate Tribunals at the earliest.

4. The Bill seeks to achieve the above objectives.

NEW DELHI;
The 5th December, 2023.

NIRMALA SITHARAMAN.

FINANCIAL MEMORANDUM

The provisions of the Bill do not involve any expenditure of recurring or non-recurring nature from the Consolidated Fund of India.

ANNEXURE

THE CENTRAL GOODS AND SERVICES TAX ACT, 2017

(12 OF 2017)

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110. (1) A person shall not be qualified for appointment as—

President and
Members of
Appellate
Tribunal,
their
qualification,
appointment,
conditions of
service, etc.

* * * * *

(b) a Judicial Member, unless he—

* * * * *

(ii) has, for a combined period of ten years, been a District Judge or an
Additional District Judge;

* * * * *

(9) Notwithstanding anything contained in any judgment, order, or decree of any court or any law for the time being in force, the President of the Appellate Tribunal shall hold office for a term of four years from the date on which he enters upon his office, or until he attains the age of sixty-seven years, whichever is earlier and shall be eligible for re-appointment for a period not exceeding two years.

(10) Notwithstanding anything contained in any judgment, order, or decree of any court or any law for the time being in force, the Judicial Member, Technical Member (Centre) or Technical Member (State) of the Appellate Tribunal shall hold office for a term of four years from the date on which he enters upon his office, or until he attains the age of sixty-five years, whichever is earlier and shall be eligible for re-appointment for a period not exceeding two years.

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further to amend the Central Goods and Services Tax Act, 2017.

(Smt. Nirmala Sitharaman, Minister of Finance and Corporate Affairs)