

ADVANCE RULINGS

AMENDMENTS BY THE FINANCE (No.2) ACT, 2014

(a) Residents falling within such class or category of persons notified by the Central Government can file an application to AAR [Section 245N(b)]

Related amendment in section : 245N(a)(iia)

Effective from: 1st October, 2014

(i) Clause (iia) has been inserted in section 245N(a) defining “advance ruling” to include a determination by the AAR in relation to the tax liability of a resident applicant, arising out of a transaction which has been undertaken or is proposed to be undertaken by such applicant.

(ii) Consequently, new clause (iia) has been inserted in section 245N(b) defining an “applicant” to include thereunder, any person who is a resident referred in section 245N(a)(iia) falling within any such class or category of persons as may be notified by the Central Government.

(b) Strengthening the constitution of AAR [Section 245-O]

Effective from: 1st October, 2014

Particulars	Erstwhile Section 245-O	New Section 245-O
Composition of AAR	AAR to consist of the following members appointed by the Central Government – (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 CBDT;	AAR to consist of a Chairman and such number of Vice Chairman, revenue Members and law Members as the Central Government may by notification appoint. Qualifications for appointment: (a) Chairman – a person who has been a judge of the Supreme Court; (b) Vice Chairman – a person who has been a Judge of a High Court;

	(c) An Officer of the Indian Legal Service who is, or is qualified to be, an Additional Secretary to Gol.	(c) Revenue Member from the Indian Revenue Service – a person who is a Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General;
	(d) A law Member from the Indian legal service – a person who is an Additional Secretary to the Gol.	
Terms & Conditions	The salaries and allowances payable to, and the terms and conditions of service of, the Members shall be such as may be prescribed.	The terms and conditions of service and the salaries and allowances payable to the Members shall be such as may be prescribed.
Officers & Employees	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 the Act.	The Central Government shall provide to the Authority with such officers and employees, as may be necessary, for the efficient discharge of the functions of the Authority under this Act.
Location of AAR	Delhi	National Capital Territory of Delhi
Constitution of Benches	-	The powers and functions of the AAR may be discharged by its Benches as may be constituted by the Chairman from amongst its Members thereof.
Composition of Benches	-	The Bench shall consist of - The Chairman or the Vice-Chairman; and - One revenue member; and - One law member.
Location of Benches	-	At such places as the Central Government may, by notification, specify.