

GST Appellate Tribunal (GSTAT)

March 28, 2023

In news– The Lok Sabha has recently passed Finance Bill, 2023 with 64 amendments, including one that seeks to set up the much-awaited GST Appellate Tribunal (GSTAT).

About GSTAT-

- It will **deal with tax disputes**, and also **lessen the burden on the higher judiciary**, which has repeatedly sought the institution of such a body.
- The constitution of GSTAT has been pending since the new indirect tax regime was launched in July 1, 2017.
- The **amended Finance Bill, 2023 proposed substitution of section 109 of the Central GST Act in order to facilitate creation of the GSTAT** and its benches.
- **As per the bill, the Government shall, on the recommendations of the Council, by notification, establish** with effect from such date as may be specified therein, an Appellate Tribunal known as the Goods and Services Tax Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority.
- According to the legislation, **GSTAT will have a “Principal Bench” in New Delhi**, with the President, a judicial member, a technical member (centre) and a technical member (state). **It will also have state benches .**
- **The Principal Bench and each state Bench would have two judicial members and two technical members each**, with equal representation from the Centre and states in the case of technical members.
- According to the proposed changes, **the cases involving the issue of the place of supply would be heard by the**

Principal Bench only.

- A single member of a Bench would hear appeals below Rs 5 million related to tax or input tax credit or fee or penalty determined in an order of any appellate authority or revisional authority if no question of law is involved.
- In all other cases, matters would be heard together by one Judicial member and one technical member.
- The tribunal will help quickly resolve disputes relating to the key indirect tax and boost tax collections, addressing concerns of both industry and tax authorities.
- **A four-member search and selection committee, headed by either the Chief Justice of the Supreme Court or his representative judge from the SC,** will be tasked with the appointment of members (except for technical members from states) to the Benches.
- The panel will include the President of the GSTAT (one of the judicial members of the Principal Bench), a union government secretary and a state chief secretary nominated by the Council. The chairperson will have a casting vote.

Note:

- Chapter XVIII of the CGST Act 2017 provides for the Appeal and Review Mechanism for dispute resolution under the GST Regime.
- Section 109 of this Chapter under CGST Act empowers the Central Government to constitute, on the recommendation of Council, by notification.