

**Q16. Can the rulings of BAR be appealed?**

Ans. Yes, as per section 245W of the Act (effective from 1st April 2021), rulings of BAR may be appealed by either party before the Hon'ble High Court.

**Q17. How many benches of BAR for ruling?**

Ans. There are three benches of BAR for rulings on transaction under taken or proposed to be under taken by tax payer in India.

Sl. No.	Board for Advance Rulings	Headquarters
1	Board for Advance Rulings-I	Delhi
2	Board for Advance Rulings-II	Delhi
3	Board for Advance Rulings-III	Mumbai

**Q18. Where is Advance Rulings mentioned in the Income-tax Act?**

Ans. Provisions of advance rulings are described in Chapter XIX-B of the Income-tax Act.



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For details reference should always be made to the relevant provisions in the Acts and the Rules

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**Income Tax Department**

Central Board of Direct Taxes



# Advance Rulings



**Q1. What is the Advance Ruling?**

Ans. An Advance Ruling is a mechanism whereby a decision (Ruling) is given by the Board for Advance Rulings (BAR) on questions of law or fact arising out of a transaction undertaken or proposed to be undertaken by a taxpayer.

**Q2. What is the Board of Advance Ruling (BAR)?**

Ans. The BAR is described in section 245-OB of the Income-tax Act. It is constituted by the Central Government under the Finance Act 2021, to establish one or more Boards to give advance rulings.

**Q3. What is the composition of the BAR?**

Ans. The BAR consists of two members, each being an officer not below the rank of Chief Commissioner of Income Tax.

**Q4. What are the functions of the BAR?**

Ans. Both members function jointly in disposing of applications. Section 245P of the Act ensures that proceedings are not invalid due to any vacancy or defect in constitution.

**Q5. What are the powers of the BAR?**

Ans. The BAR has all powers of a Civil Court under the Code of Civil Procedure, 1908, and is deemed to be a civil court for the purposes of section 195 of the Act.

**Q6. What does 'Applicant' mean as per section 245N of the Act?**

Ans. 'Applicant' refers to any person defined in section 2(31) of the Act: individual, HUF, company, firm, AOP, BOI, local authority, or any artificial juridical person.

**Q7. Who can obtain the rulings?**

Ans. The following applicants can seek rulings:

- (i) Non-residents regarding tax liability on transactions undertaken or proposed.
- (ii) Residents engaging in transactions with non-residents.
- (iii) Residents undertaking transactions of Rs. 100 crore or more.
- (iv) Public Sector Companies for issues pending before income-tax authorities.
- (v) Any person, resident or non-resident, seeking determination under GAAR (Chapter X-A).

**Q8. On what transactions can advance rulings be sought?**

Ans. Rulings may be sought on questions related to a specific transaction by the applicant, concerning its tax liability in India.

**Q9. What questions can be raised for rulings?**

Ans. (a) Questions of law or fact related to tax liability of the applicant.

(b) Questions must arise from the facts stated in the application.

(c) No hypothetical or irrelevant questions allowed.

(d) Questions may cover issues under DTAA or allied laws relevant to taxation.

**Q10. What are the various Forms and Fees?**

Ans. Applications are filed at [bar.application@incometax.gov.in](mailto:bar.application@incometax.gov.in) in prescribed forms:

- **Form 34C** – For non-resident applicants.
- **Form 34D** – For residents entering transactions with non-residents.
- **Form 34DA** – For resident applicants on transactions of Rs. 100 crore or more.
- **Form 34EA** – For rulings on impermissible avoidance arrangements.

Fees depend on transaction value: Rs. 2 lakhs to Rs. 10 lakhs.

**Q11. Can an applicant withdraw the application?**

Ans. Yes, within 30 days from the date of application, as per section 245Q(3) of the Act. After 30 days, application can be withdrawn only with the permission of BAR.

**Q12. Who are Authorized Representatives?**

Ans. As per section 288 (2) of the Act, an authorized representative is a person authorized in writing to appear, plead, or act on behalf of the applicant.

**Q13. What is the mode of issue and service of notices?**

Ans. All hearings and communications are electronic. Notices and orders are served via email to the applicant's registered address.

**Q14. What is the ruling and how is it communicated?**

Ans. If admitted, BAR requests additional materials from both parties and conducts hearings. The ruling is pronounced and sent to both applicant and jurisdictional PCIT/CIT.

**Q15. What is the time frame for rulings?**

Ans. Under section 245R (6) of the Act, BAR shall pronounce rulings in writing within six months of receipt of application.