

EY Tax Alert

CBIC clarifies officer's jurisdiction in GST proceedings upon change in taxpayer's principal place of business

Tax Alerts cover significant tax news, developments and changes in legislation that affect Indian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor.

Executive summary

This Tax Alert summarizes a recent Circular¹ issued by Central Board of Indirect Taxes and Customs (CBIC) regarding the authority competent to act at various stages of proceedings under Central Goods and Services Tax Act, 2017 (CGST Act) where a taxpayer migrates or transfers from one jurisdiction (transferor jurisdiction) to another (transferee jurisdiction) due to a change in principal place of business.

The key clarifications are:

- The jurisdiction to exercise statutory power is required to be assessed as on the date on which the power is invoked. Such governing principle is to be applied uniformly across all stages of actions or proceedings.
- Where any action or proceeding has been validly undertaken by the transferor jurisdictional authority having jurisdiction over the registered taxpayer on the date of such action, the same shall remain valid notwithstanding the subsequent migration or transfer of the taxable person to transferee jurisdiction.

The transferee jurisdictional authority shall act upon, give effect to, and proceed based on such earlier valid action taken by the transferor jurisdictional authority, as if it had initiated the same.
- On migration, any action or proceeding already initiated by the transferor jurisdictional authority shall be taken over and concluded by the transferee jurisdictional authority. Thus, the transferee authority shall be competent to act on consequential actions arising from the antecedent proceedings, including representing, defending, or otherwise conducting proceedings, and

¹ Circular No. 255/01/2026-GST

filing appeals before the appellate authority or appellate tribunal.

transferred to another jurisdiction, the transferor jurisdictional authority shall not take any fresh action or initiate proceedings against such person.

- Once a taxable person has migrated or

Comments

- a. The Circular is expected to mitigate jurisdictional disputes and reduce technical and administrative challenges arising from shifting principal place of business at the time when the tax proceedings are underway.
- b. It provides much-needed certainty to such taxpayers and tax authority, particularly in the context of ongoing and future audits, investigations, and litigation.

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