


Centre–State Cross-Empowerment under GST (Section 6)

Section 6 - Authorization of officers of State tax or UT tax as proper officer in certain circumstances.			
	Sec	Statutory Provision	Remarks
<u>Cross-empowerment of SGST Officers</u>	6(1)	Without prejudice to the provisions of this Act, Officers appointed under the State GST Act / UTGST Act are authorised to act as proper officers (POs) for purposes of the CGST Act, subject to conditions notified by the Government on Council recommendation.	<ul style="list-style-type: none"> Cross-empowerment is mutual: SGST officers empowered to Act as CGST Officers; CGST Officers empowered to act as SGST Officers [Sec 6, CGST + Equivalent SGST Act] Cross-empowerment is statutory and automatic: No separate notification required ; cross-empowerment exists by statute itself. Notification u/Sec 6(1) is required only when conditions or restrictions are to be imposed, not for empowerment. In the absence of any restrictive notification, cross-empowerment is complete and absolute/without any restriction. N/N 39/2017-CT restricting power of SGST Officer: It restricts SGST officers' from sanctioning one particular category of refund - Refund of IGST upon Export of Goods (u/Rule 96). Cross-empowerment of SGST Officer is not a 'statutory bar' on statutory powers vested with CGST officers : Sec 6(1) empowering SGST officer to act as CGST Officer is "without prejudice to the provision of CGST Act" → thus, empowerment of SGST officer does not dilute, curtail, or substitute the powers of CGST officers under the CGST Act.
	6(2)	Subject to the conditions specified in the notification issued under sub-section (1),--	
<u>Doctrine of parallel orders</u>	(a)	Where a PO under CGST issues an order, he shall also issue a corresponding order under SGST/UTGST, with intimation to the jurisdictional State/UT officer.	<ul style="list-style-type: none"> CGST Officer (acting as PO) : One proceeding (covering 2 levies - CGST + SGST) → two levies → Single Adjudication → Order covering both tax component [Intimation clause preserves administrative transparency and coordination.]
<u>Bar on parallel proceedings</u> (i.e. adjudication, not investigation)	(b)	Where a PO under SGST has initiated any proceedings on a subject matter, no proceedings shall be initiated by the PO under CGST on the same subject matter.	<ul style="list-style-type: none"> SGST Officer (acting as PO) : Proceedings initiated by SGST Officer on a subject-matter is a statutory bar on CGST officer but only in respect of same subject matter. thus: Where State issues SCN under (Sec 73 or 74) or (Sec. 74-A) or (other analogous provisions) → Centre cannot issue SCN on same subject-matter Sec 6(2)(b) bars parallel adjudication, not parallel investigation: "Proceedings" stands initiated only upon issuance of a SCN ; summons, search, seizure, inquiry, or investigation do not amount to initiation of proceedings and hence, not hit /barred by Sec 6(2)(b) - M/s Armour Security (India) Ltd.- 2025-SC
<u>Appellate Discipline</u>	6(3)	Any proceedings for rectification, appeal, and revision against an order passed by a CGST officer shall not lie before an officer appointed under State/UT GST Act.	<ul style="list-style-type: none"> Order passed by CGST Officer (acting as PO) : Appeals, rectification, or revision against an order must lie only with CGST officer.

Analysis: Dual GST Jurisdictions and Enforcement Logic

Topic	Situation	Thoughts Possible	Conclusion (The Logic)	Law (Statutory Reference)	Crux
1. Dual GST Obligations	A registered entity conducts an intra-state taxable supply of goods or services.	Dual liability exists (CGST & SGST) <ul style="list-style-type: none"> • How many registrations? • How many returns? • How many tax payment challans? 	Dual levy operates simultaneously, but compliance is structurally unified for ease of business. <ul style="list-style-type: none"> • One GSTIN per State • One return (GSTR-3B / GSTR-1) • One challan (PMT-06) 	Sec 22, 25, 39, 49 of CGST Act/ SGST Act	Single Registration, Single Return, Single Challan: Single Compliance Interface (via a single e-portal)
2. Administrative Assignment Functional Allocation	Short-payment detected in self-assessed tax. SCN based adjudication required.	Should both Centre & State issue SCN? • Is adjudication dual? 	A taxpayer is assigned to only one authority for routine administration (*prevent harassment and duplication of efforts) Cross-empowerment allows that one authority to handle both tax components. 👉 One adjudication → two levy (parallel orders).	GST Council : Allocation framework Section 6(1), 6(2)(a) of the CGST/ SGST Act	Administrative Unity, Functional Duality. Jurisdiction is assigned, but cross-empowerment is statutory and automatic u/Sec 6.
3. Appellate Linkage Hierarchy Discipline	State GST officer passes adjudication order involving CGST + SGST. A taxpayer is aggrieved by the adjudication order.	Since CGST involved, separate appeal before Central authority? OR If single appeal is filed, then which appellate hierarchy (centre or state) governs?	Appellate forum follows the originating adjudicating authority , not the tax component involved. <ul style="list-style-type: none"> • Single appeal • Same hierarchy 	Section 6(3) of the CGST/SGST Act.	Appellate forum follows the original adjudication officer.
4. Intelligence-Based Actions Enforcement Supremacy	DGGI (Central GST) detects a fake ITC chain by a State-assigned taxpayer. It wants to investigate further.	Does assignment bar Central investigation? <ul style="list-style-type: none"> • Can DGGI issue SCN? • Who gets adjudicatory primacy? 	Administrative allocation (to SGST Officer) cannot curtail statutory powers conferred (on CGST Officers) by Parliament/CGST act. <ul style="list-style-type: none"> • Statutory empowerment prevails. Intelligence-based enforcement valid. 	Section 6 read with CBIC Clarification 22.06.2020.	Statutory Power Overrides Administrative Allocation: Specific intelligence permits the Centre to investigate and adjudicate State-assigned taxpayers.
5. Parallel Proceedings Duplicate SCN	State issues SCN u/s 73.	Does the existing State SCN bar the Central GST from issuing summons or conducting a search under Section 6(2)(b)?	"Proceedings" begin only with issuance of SCN capable of resulting in adjudication.	Section 6(2)(b) of the CGST/SGST Act	Duplicate SCN Dies. Investigation Survives.

<p><u>Centre later issues summons/search and contemplates SCN.</u></p>	<ul style="list-style-type: none"> • Is investigation barred? • What is "initiation of proceedings"? • Does summons = proceedings? • When does bar trigger? 	<p><u>Armour Security (India) Ltd. - 2025-SC</u></p> <ul style="list-style-type: none"> • <u>Investigative measures (Summons (Section 70), search and seizure (Section 67) forming part of inquiry) are not barred by a prior SCN.</u> • <u>Second SCN on same subject matter barred.</u> <p>'Same subject-matter' : 2 Fold Identity Test</p> <ol style="list-style-type: none"> 1. Action on Identical liability on same facts 2. Same demand/ relief is sought <p><i>If both satisfied → bar applies.¹</i></p>	<p>Investigation is not a Bar: The statutory bar only triggers when <u>a second SCN is attempted on the "same subject matter."</u></p>
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Key Conclusions & Legal Principles: Dual GST enforcement

1. **Administrative Unity:** "Single Interface" model : "Single Interface" model uses **administrative assignment and cross-empowerment** to prevent taxpayer harassment while maintaining the dual taxing powers of the Centre and State.
2. **Enforcement Supremacy:** *CBIC Clarification (2020)*: Routine administrative assignment cannot curtail the statutory powers of the Central GST (DGGI) to investigate and adjudicate State-assigned taxpayers in cases of specific intelligence.
3. **The "First-to-SCN" Rule:** *The authority issuing first SCN gains adjudicatory primacy.*: The authority that issues the first Show Cause Notice (SCN) becomes the "first-initiating authority" and is legally entitled to carry the proceedings to their logical conclusion, including adjudication.
4. **Investigative Immunity:** *Summons/search cannot be barred by existence of prior SCN*: Actions like summons (Section 70) and search/seizure (Section 67) are **pre-proceeding, fact-finding actions**. They **do not constitute "proceedings"** as referred to in Section 6(2)(b) and therefore cannot be barred by an existing SCN from the other jurisdiction. - *Armour Security (India) Ltd. - 2025-SC*
 - "Proceedings" = adjudicatory proceedings initiated by SCN.
 - Summons u/s 70 ≠ proceedings. | Search u/s 67 ≠ proceedings. | Inquiry ≠ proceedings.
5. **2-Fold "Same Subject Matter" Test:** To determine if a second proceeding (SCN) is barred, *authorities must check*:
 1. If the authority has already proceeded on an **identical liability** or alleged offense on the same facts.
 2. If the **demand or relief sought** is identical.



¹ **What Creates same Subject Matter?** *Identical liability arising from the same factual matrix = Same tax component (CGST/SGST) | Same tax period | Same invoices / transactions | Same factual allegation | Same quantum of demand | Same recovery objective*

What Creates a Distinct Subject Matter? : *Legally independent liability based on a differentiated factual foundation = Different tax period | Different vendors / counterparties | Additional or newly discovered invoices | Expanded fraudulent network | Higher or incremental quantum based on fresh evidence | New or independent contravention*