From Common Adjudicating Authority to the Jurisdictional Commissioner: Has CBIC Quietly Rewritten the Jurisdictional Philosophy for DGGI Cases?

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1. Introduction

The CBIC has recently issued Circular No. 256/02/2026-GST dated 25.07.2026, prescribing the mechanism for filing departmental appeals before the GST Appellate Tribunal (GSTAT) in cases adjudicated by the **Common Adjudicating Authority (CAA)**, popularly known as **DGGI cases**. At first glance, the Circular appears to be merely procedural. A closer reading, however, reveals a significant shift in the Board's approach towards jurisdiction.

For the first time since the concept of the Common Adjudicating Authority was introduced, the Board has consciously moved the focus from the Commissionerate having jurisdiction over the Common Adjudicating Authority to the Commissionerate having jurisdiction over the individual taxpayer. This shift has the potential to reopen an important debate regarding the correctness of the jurisdictional framework adopted in earlier circulars governing adjudication and first appeals.

The latest Circular therefore deserves to be read not merely as an administrative clarification, but as a possible evolution in the Board's understanding of territorial jurisdiction in multi-State DGGI proceedings.

2. Genesis of the Common Adjudicating Authority - Circular No. 169/01/2022-GST

The concept of the Common Adjudicating Authority was formally introduced through Circular No. 169/01/2022-GST dated 12th March, 2022, which provided as follows:

> *"Vide Notification No. 02/2022-Central Tax dated 11th March, 2022, para 3A has been inserted in the Notification No. 2/2017-Central Tax dated 19th June, 2017, to empower Additional Commissioners of Central Tax/ Joint Commissioners of Central Tax of some of the specified Central Tax Commissionerates, with All India Jurisdiction for the purpose of adjudication of the show cause notices issued by the officers of the Directorate General of Goods and Services Tax Intelligence. Consequently, para 6 and 7 of the Circular No. 31/05/2018-GST, dated 9th February, 2018 are hereby amended to allow the specified Joint/Additional Commissioners of Central Tax of some of the specified Central Tax Commissionerates only for adjudication of these specific SCNs, commonly known as Common Adjudicating Authority for DGGI matters."*

The objective behind the Circular was understandable. DGGI investigations frequently involve multiple taxable persons located across several States, and adjudication by different authorities could result in conflicting findings on identical facts. To avoid such inconsistency, the Board centralised adjudication by constituting a Common Adjudicating Authority (CAA) with all-India jurisdiction.

From an administrative standpoint, the mechanism promoted uniformity in adjudication. However, it also meant that taxpayers were often required to contest proceedings before adjudicating authorities situated far outside their territorial jurisdiction.

3. Circular No. 250/07/2025-GST - Extending the CAA Jurisdictional Principle to Review and First Appeal

The next important development came through Circular No. 250/07/2025-GST dated 24.06.2025, which laid down the mechanism governing review, revision and appeals arising from orders passed by the Common Adjudicating Authority.

The Circular provided as follows:

> **(a) Review under** Section 107: The Principal Commissioner or Commissioner of Central Tax under whom the Common Adjudicating Authority (Additional/Joint Commissioner) is posted shall be the reviewing authority in respect of such O-I-Os.
>
> **(b) Revisional Power under** Section 108: The Principal Commissioner or Commissioner of Central Tax under whom the Common Adjudicating Authority (Additional/Joint Commissioner) is posted shall be the revisional authority in respect of such O-I-Os.
>
> **(c) Appeal Procedure under Section 107:** Appeals against the order of the Common Adjudicating Authority (Additional/Joint Commissioner) shall lie before the Commissioner (Appeals) corresponding to the territorial jurisdiction of the Principal Commissioner or Commissioner of Central Tax under whom the said Common Adjudicating Authority is posted.
>
> **(d) Department's Representation in Appeals:** The Principal Commissioner or Commissioner of such Commissionerate under whom the Common Adjudicating Authority is posted shall represent the department in appellate proceedings and may designate subordinate officers for filing departmental appeals.

(e) The reviewing or revisional authority may seek comments from the concerned DGGI formation before taking a decision.

Thus, the Board did not merely centralise adjudication but it also centralised the entire appellate ecosystem. The reviewing authority, revisional authority, departmental representative and even the appellate forum were all linked to the Commissionerate where the Common Adjudicating Authority was posted, irrespective of where the taxpayer was actually registered. This represented a complete departure from the normal statutory scheme under the CGST Act, where proceedings ordinarily remain within the jurisdictional Commissionerate of the taxpayer.

4. Circular No. 256/02/2026-GST - A Fundamental Shift in Jurisdictional Philosophy

The position has now undergone a noticeable change with the issuance of **Circular No. 256/02/2026-GST dated 25.07.2026**.

The Circular provides:

(a) The appellate authority shall communicate the Order-in-Appeal to the Pr. Commissioner/Commissioner having jurisdiction over the Common Adjudicating Authority.

(b) The Commissioner having jurisdiction over the Common Adjudicating Authority shall examine the order, obtain comments from the DGGI wherever necessary, and forward recommendations to the **jurisdictional** Pr. Commissioner/Commissioners of all taxable persons/noticees involved.

(c) The **jurisdictional** Pr. Commissioner/Commissioner of the particular taxable person shall be the **reviewing authority** under Section 112(3) of the CGST Act for examining the legality and propriety of the Order-in-

Appeal. If departmental appeal is considered necessary, such jurisdictional Commissioner shall authorise filing of the appeal before the GSTAT.

(d) Separate departmental appeals are required to be filed in respect of each taxable person before the GSTAT Bench having territorial jurisdiction over such taxpayer.

(e) The jurisdictional Commissioner shall thereafter intimate the Commissioner having jurisdiction over the Common Adjudicating Authority regarding the filing or otherwise of such appeal.

Unlike Circular No. 250/07/2025-GST, the latest Circular no longer treats the Commissionerate of the Common Adjudicating Authority as the focal point for departmental decision-making. Instead, the Board recognises that it is the **jurisdictional Commissionerate** of the taxpayer that should decide whether an appeal deserves to be filed. Equally significant is the requirement that departmental appeals shall be filed before the **territorially competent GSTAT Bench** having jurisdiction over the concerned taxpayer. The jurisdictional emphasis has therefore unmistakably shifted from the Common Adjudicating Authority to the individual taxable person.

5. Has the Board Itself Recognised the More Logical Jurisdictional Principle'

The latest Circular inevitably raises an important legal question that if the Board now considers the **jurisdictional** Principal Commissioner/Commissioner of the taxpayer to be the appropriate authority to review an appellate order and determine whether a departmental appeal should be filed before the GSTAT, why was the same jurisdictional principle not adopted at the earlier stages' Since the rationale underlying Circular No. 256/02/2026-GST appears considerably more consistent with the territorial jurisdiction contemplated under the CGST Act.

After all, it is the jurisdictional Commissionerate that administers the taxpayer, possesses institutional knowledge of the taxpayer's affairs and ultimately represents the revenue interests concerning that taxable person. Once this premise is accepted, it becomes difficult to explain why Circular No. 250/07/2025-GST required review, revision and first appeals to remain tied to the Commissionerate of the Common Adjudicating Authority instead of the jurisdictional Commissionerate of the taxpayer.

6. Should the Same Logic Have Applied to Adjudication Itself?

Further, if territorial jurisdiction over the taxpayer is now regarded as the appropriate principle for departmental review and GSTAT litigation, one may legitimately ask whether the same benefit ought to have been available from the very beginning of the proceedings. While administrative convenience undoubtedly justified the appointment of a Common Adjudicating Authority for ensuring consistency in DGGI matters, an equally compelling argument could be made that the taxpayers themselves should have continued before their respective jurisdictional adjudicating authorities, with suitable mechanisms for coordination wherever necessary.

Instead, taxpayers were required to contest proceedings before a Common Adjudicating Authority often situated outside their State and thereafter pursue their first appeals before appellate authorities linked not to themselves, but to the Commissionerate where the Common Adjudicating Authority happened to be posted. The latest Circular implicitly demonstrates that taxpayer-centric territorial jurisdiction is both workable and administratively feasible. If such decentralisation is acceptable for departmental review and GSTAT litigation, the question naturally arises whether the same jurisdictional approach ought to have been adopted for adjudication and first appeals as well.

7. Potential Scope for Future Litigation

The issuance of latest Circular 256 may therefore trigger a fresh round of litigation. Taxpayers may argue that the Board has itself acknowledged the superiority of a jurisdiction-based approach by restoring the role of the jurisdictional Commissionerate at the GSTAT stage. They may consequently contend that the jurisdictional framework prescribed under earlier circulars requiring common adjudication, review and first appeals to remain tied to the Common Adjudicating Authority, lacks a convincing legal rationale once the Board itself has departed from that very principle at the second appellate stage. Whether courts ultimately accept such arguments remains to be seen. Nevertheless, the apparent inconsistency between the two circulars is likely to invite judicial scrutiny.

8. Conclusion

Circular 256 may have been issued to resolve procedural issues concerning GSTAT appeals in DGGI matters, but its implications travel much beyond procedure. It reflects a discernible shift in the Board's jurisdictional philosophy from a system centred around the Common Adjudicating Authority to one that once again recognises the importance of the jurisdictional Commissionerate of the taxpayer.

Viewed alongside earlier circulars, the latest Circular raises an important jurisprudential question. If the taxpayer's jurisdiction is now considered the correct anchor for departmental review and appellate proceedings before the GSTAT, was there any compelling reason to deny the same jurisdictional treatment at the stages of adjudication and first appeal' The answer to that question may ultimately be supplied not by another circular, but by the constitutional courts. Until then, one thing appears certain the debate on jurisdiction in DGGI matters is far from over, and the latest Circular may well become the foundation for the next generation of challenges to the CAA framework.

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(The views expressed in this article are strictly personal.)