

Chapter–VI

Registration

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22. Persons liable for registration

- (1) *Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees:
Provided that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees.*
- (2) *Every person who, on the day immediately preceding the appointed day, is registered or holds a licence under an erstwhile law, shall be liable to be registered under this Act with effect from the appointed day.*
- (3) *Where a business carried on by a taxable person registered under this Act is transferred, whether on account of succession or otherwise, to another person as a going concern, the transferee or the successor, as the case may be, shall be liable to be registered with effect from the date of such transfer or succession.*
- (4) *Notwithstanding anything contained in sub-sections (1) and (3), in a case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, demerger of two or more companies pursuant to an order of a High Court, Tribunal or otherwise, the transferee shall be liable to be registered, with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order of the High Court or Tribunal.*

Explanation. For the purposes of this section, —

- (i) the expression “aggregate turnover” shall include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals;
- (ii) the supply of goods, after completion of job work, by a registered job worker shall be treated as the supply of goods by the principal referred to in section 143, and the value of such goods shall not be included in the aggregate turnover of the registered job worker;
- (iii) the expression “special category States” shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution.

22.1 Introduction

Section 22 provides for registration of every supplier effecting the taxable supplies. Registration of a business with the tax authorities implies obtaining a unique identification code from the concerned tax authorities so that all the operations of, and data relating to the business can be agglomerated and correlated. In any tax system, this is the most fundamental requirement for identification of the business for tax purposes and for having any compliance verification mechanism. A registration from the concerned tax authorities will confer among others the following advantages to the registrant.

- Legally recognised as a supplier of Goods and/or Services;
- Proper accounting of taxes paid on the input goods and / or services;
- Utilisation of input taxes for payment of GST due on supply of goods and / or services or both;
- Pass on the credit of the taxes paid on the goods and / or services supplied to purchasers or recipients.

22.2 Analysis

- Every supplier shall be liable to be registered under the Act in the State from which he makes a taxable supply of Goods or Services or both. It is important to note that registration is required ‘in’ the State ‘from where’ taxable supplies are made. Registration is not required ‘in’ the State ‘to’ which taxable supplies are made, even though this is a destination-based tax. This greatly reduces the burden of the taxable person from having to seek registration in every State ‘to’ which taxable supplies are made. If the supplies are ‘to’ another State, then the nature of tax will not be CGST-SGST but IGST and is paid to the Union who will ensure that the same reaches the appropriate ‘destination’ State. Therefore, for purposes of obtaining registration, it is important to identify the ‘origin’ of supply even though GST is a ‘destination’ based tax. Tax goes to the destination-State but registration is in the origin-State. Place of Supply (as determined from IGST Act) provides the ‘destination’ and this is not relevant for registration. The Location of Supplier is relevant for registration.

The State “from” where taxable supply is made is a question of fact and that must be determined based on the requirement of law. In the case of services, Location of Supplier of Services is defined in 2(71) of CGST Act but in the case of goods, Location of Supplier of Goods is not defined. And this is not an oversight but deliberate. Services leave no trail as to the location ‘from’ where they are supplied and for that reason, a definition is required. Whereas goods leave a trail, that is, where the goods are actually ‘located’. This can be seen from the definition of Place of Business 2(85) of CGST Act. Place of Business is where business is ‘ordinarily carried on’ – this would be the location ‘from’ where taxable supplies are made, whether for goods or for services. But, if this is not (in case of goods), this definition goes on to include ‘place where goods are stored’. Hence, location of supplier of goods is where business is ordinarily carried on or where the goods themselves are located, if that were more accurate. For example, a company incorporated outside India purchases goods from a manufacturer and instructs that the goods be deposited with a warehouse-keeper in India. And then after some time, supplies the goods from the warehouse to a customer also within India. By being incorporated outside India, the place where business is ordinarily carried on is not in India but the location where goods are stored being within India, attracts the requirement to register at the warehouse. It is true that mere storage is not the ‘place of business’ in general understanding but in GST this appears to the unequivocal intent of the law-maker. Care should be taken to correctly identify where registration ought to be obtained so as not to end up with a serious misapplication of the requirements of law.

Registration is required if his aggregate turnover in a financial year exceeds Rupees Twenty Lakhs. This threshold limit will be Rupees Ten Lakhs if a taxable person conducts his business in any of the special category states as specified in sub-clause (g) of clause (4) of Article 279A of the Constitution i.e. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand. However, the threshold limit remains Rupees Twenty Lakhs for the State of Jammu and Kashmir.

How the Aggregate Turnover is Calculated?

XYZ Pvt. Ltd. is a manufacturing unit in Mumbai, Maharashtra along with unit at Assam. Turnover details of all the units are as follows:

Mumbai Unit: ₹ 8 Lakhs
Assam Unit: ₹ 11 Lakhs

Assam Unit is a special category state wherein the registration limit is ₹ 10 lakhs. Hence, in the given case XYZ Pvt. Ltd would be required to take registration in Assam due to aggregate turnover being ₹ 11 Lakhs. Now it needs to be analyzed whether Mumbai unit also requires to get registered even though the aggregate turnover of all the units is less than ₹ 20 lakhs.

So even though aggregate turnover is less than 20 Lakhs, registration would be mandatory in Mumbai also by virtue of mandatory registration in Assam

- It means that for each State, the supplier liable for registration will have to take a separate registration even though such supplier may be supplying goods or services or both from more than one State as a single entity. The application for registration shall be made within 30 days from the date when he becomes liable for registration.
- It is necessary to admit the distinction between 'person and taxable person'. Person is defined in the most familiar manner in section 2(84) and a taxable person is defined in section 2(107). A proper reading of section 22 helps us understand that a State is the smallest registrable unit in GST – except where multiple business verticals are registered separately under section 25. A taxable person is therefore the presence of the person in a State from where taxable supplies are made in the name of such person. When a person becomes liable to be registered in a State at any place from where taxable supplies are made therein such person shall be a taxable person.
- Casual taxable person or a non-resident taxable person shall apply for registration at least 5 days prior to the commencement of business.
- A person having multiple business verticals [as defined in Section 2(18)] in one State may obtain separate registrations for each of the business vertical, subject to prescribed conditions.
- Every registered person shall display his certificate of registration in a prominent location at his principal place of business and at every additional place or places of business.
- Every registered person shall display his Goods and Services Tax Identification Number on the name board exhibited at the entry of his principal place of business and at every additional place or places of business.
- For calculating the Threshold limit, the turnover shall include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals. Further, supply of goods by a registered Job-worker, after completion of job work, shall be treated as the supply of goods by the "principal" referred to in section 143 (i.e. Job work procedure) of this Act. The value of such goods shall not be included in the aggregate turnover of the registered job worker.
- Every person who, on the day immediately preceding the appointed day, is registered or holds a license under an earlier law, shall be liable to be registered under this Act with effect from the appointed day.
- Every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor.
- Every person having a unit in a Special Economic Zone or being a Special Economic Zone developer shall make a separate application for registration as a Business vertical distinct from his other units located outside the Special Economic Zone.

- Where a person who is liable to be registered under this Act fails to obtain registration, the proper officer can proceed to register such person in the manner as may be prescribed
- The registration shall be effective from the date on which the person becomes liable to registration where the application for registration has been submitted within a period of thirty days from such date. Where an application for registration has been submitted by the applicant after the expiry of thirty days from the date of his becoming liable to registration, the effective date of registration shall be the date of the grant of registration

Exemption Limit vs. Registration Limit

In the erstwhile law the facility of SSI/ SSP exemptions were provided wherein even though assessee have taken the registration they were not required to collect and pay tax unless they crossed the threshold limit. However, in GST regime no such exemption is provided under the law. Once registration is taken the assessee is mandatorily required to collect and pay tax to the government irrespective of threshold. As per Section 2(107) of the CGST Act, 2017 “taxable person” means a person who is registered or liable to be registered under section 22 or section 24; this means a registered person is a taxable person. It is important to note that Sec 9 of CGST Act, 2017 imposes liability to taxable person and therefore once registration is obtained the concept of taxable person gets triggered.

Registration on own Volition

A person, though not liable to be registered under Section 22, may get himself registered voluntarily, and once registered all provisions of this Act, shall apply to such person.

Transfer of Business and Registration

If registered taxable person transfers business on account of succession or otherwise, to another person as a going concern, the transferee, or the successor, as the case may be, shall be liable to be registered with effect from the date of such transfer or succession. This means that the Registration Certificate issued under Section 22 of the Act is not transferable to any other person. In a case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, de-merger of two or more companies by an order of a High Court, the transferee shall be liable to be registered with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order of the High Court.

Statutory provision

23. Persons not liable for registration

- (1) *The following persons shall not be liable to registration, namely: —*
- (a) *any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act;*

(b) *an agriculturist, to the extent of supply of produce out of cultivation of land.*

- (2) *The Government may, on the recommendations of the Council, by notification, specify the category of persons who may be exempted from obtaining registration under this Act.*

Central Government vide Notification No. 05/2017-Central Tax, dt. 19-06-2017 has w.e.f 22nd June 2017 amended section 23 of CGST Act, 2017 to include the persons who are only engaged in making supplies of taxable goods or services or both, the total tax on which is liable to be paid on reverse charge basis by the recipient of such goods or services or both under section 9(3) of the CGST Act, 2017 in the category of persons exempted from obtaining registration under the aforesaid Act.

23.1 Analysis

The main criterion to remain out of the purview of registration is to exclusively engage in the supply of exempted goods or services or both. The term exclusive indicates engaging in only those supplies which are exempted. If a supplier is supplying both exempted and non-exempted goods and/or services, then this provision is not applicable and he is required to take registration under Section 22.

As per Section 1(7) agriculturist means an individual or HUF who undertakes cultivation of land:

- (a) By own labour or
- (b) By the labour of family, or
- (c) By servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family

Thus, an agriculturist is not liable for registration only to the extent of supply of produce out of cultivation of land. If an agriculturist undertakes supplies which are not linked to the cultivation of land, he will fall within the provisions of Section 22 and may have to take registration in respect of such supplies. It is important to consider the nature of activities undertaken by the agriculturist. If the process deviates from 'cultivation' it will travel outside the scope of this exclusion from registration. The exclusion states – to the extent of supply of 'produce out of cultivation' of land – any further processing of the primary produce from cultivation will continue not avail this exclusion.

Cultivation of land does not include pisciculture on inland water body or cattle rearing that graze the produce of land. The produce from emerge from land for it is be 'cultivation of land'. For example, harvesting paddy is cultivation but production of rice is not.

Please note that the exclusion from the requirement to be registered does not result in non-collection of tax on agricultural produce. Where the supplier is not registered (for any reason) and the recipient is registered, then tax is payable by such registered recipient as per section 9(4) of CGST Act and 5(4) of IGST Act.

Further, this section also permits any person whose 'entire' supply consists of 'exempt supplies', then such person is excluded from obtaining registration. Care should be taken to validate the premises about (a) entire supply (b) exempt. Even if small value of supplies is taxable, then even exempt supplies will be included to determine if aggregate turnover has exceeded the threshold limit under section 22 for attracting registration. Also, if inward supplies liable to reverse charge under section 9(3) of CGST Act is attracted, then notwithstanding the exclusion under section 23, registration will need to be obtained compulsorily under section 24. If a person remains outside the requirements of registration due to this section, he would not be liable to pay tax under 9(4) of CGST Act as it does not apply to an unregistered-recipient.

Any other persons, as may be notified, may also be granted this exclusion from registration by the Government. In this regard, the Government has excluded certain persons under this provision.

Central Government vide Notification No. 65/2017-Central Tax, dt. 15-11-2017 w.e.f 15th November 2017 has amended section 23(2), of CGST Act, 2017. the Central Government, on the recommendations of the Council, hereby specifies the persons making supplies of services, other than supplies specified under subsection (5) of section 9 of the said Act through an electronic commerce operator who is required to collect tax at source under section 52 of the said Act, and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of twenty lakh rupees in a financial year, as the category of persons exempted from obtaining registration under the said Act, Provided that the aggregate value of such supplies, to be computed on all India basis, should not exceed an amount of ten lakh rupees in case of "special category States" as specified in sub-clause (g) of clause (4) of article 279A of the Constitution, other than the State of Jammu and Kashmir.

Statutory Provision

24. Compulsory registration in certain cases

- (1) Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act, —
- (i) persons making any inter-State taxable supply;
 - (ii) casual taxable persons making taxable supply;
 - (iii) persons who are required to pay tax under reverse charge;
 - (iv) person who are required to pay tax under sub-section (5) of section 9;
 - (v) non-resident taxable persons making taxable supply;
 - (vi) persons who are required to deduct tax under section 51, whether or not separately registered under this Act;
 - (vii) persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise;

- (viii) *Input Service Distributor, whether or not separately registered under this Act;*
- (ix) *persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52;*
- (x) *every electronic commerce operator;*
- (xi) *every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered person; and*
- (xii) *such other person or class of persons as may be notified by the Government on the recommendations of the Council.*

24.1 Analysis

As per Section 22 there are certain conditions subject to fulfilment of which registration must be taken. However, Section 24 enlists 11 types of persons who shall compulsorily obtain the registration even though these persons do not trigger the provisions prescribed under Section 22. Thus Section 24 is an overriding section that makes it mandatory to obtain registration by certain prescribed persons even though the conditions prescribed under section 22 are not met.

Further, the Government on the recommendations of the Council may notify such other person or class of persons who are required to compulsorily obtain the registration.

Categories of persons who shall be required to be registered under this Act irrespective of the threshold

Notwithstanding anything discussed in the paragraph above, the following categories of persons shall get registered compulsorily under this Act:

- Persons making any inter-State taxable supply;
- Casual taxable persons making taxable supply;
- Persons who are required to pay tax under reverse charge;
- Persons who are required to pay tax under sub-section (5) of section 9 (electronic commerce operator)
- Non-resident taxable persons making taxable supply;
- Persons who are required to deduct tax under section 51 (Tax Deduction at Source);
- Persons who supply goods or services or both on behalf of other registered taxable persons whether as an agent or otherwise;
- input service distributor;
- persons who supply goods and/or services, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52,

- Every electronic commerce operator;
- every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered taxable person; and
- Such other person or class of persons as may be notified by the Central Government or a State Government on the recommendations of the Council.

Statutory Provision

25. Procedure for registration

- (1) *Every person who is liable to be registered under section 22 or section 24 shall apply for registration in every such State or Union territory in which he is so liable within thirty days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed:*

Provided that a casual taxable person or a non-resident taxable person shall apply for registration at least five days prior to the commencement of business.

Explanation:

Every person who makes a supply from the territorial waters of India shall obtain registration in the coastal State or Union territory where the nearest point of the appropriate baseline is located.

- (2) *A person seeking registration under this Act shall be granted a single registration in a State or Union territory:*

Provided that a person having multiple business verticals in a State or Union territory may be granted a separate registration for each business vertical, subject to such conditions as may be prescribed.

- (3) *A person, though not liable to be registered under section 22 or section 24 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered person, shall apply to such person.*

- (4) *A person who has obtained or is required to obtain more than one registration, whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act.*

- (5) *Where a person who has obtained, or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as establishments of distinct persons for the purposes of this Act.*

- (6) *Every person shall have a Permanent Account Number issued under the Income Tax Act, 1961 in order to be eligible for grant of registration:*

Provided that a person required to deduct tax under section 51 may have, in lieu of a Permanent Account Number, a Tax Deduction and Collection Account Number issued under the said Act in order to be eligible for grant of registration.

- (7) *Notwithstanding anything contained in sub-section (6), a non-resident taxable person may be granted registration under sub-section (1) on the basis of such other documents as may be prescribed.*
- (8) *Where a person who is liable to be registered under this Act fails to obtain registration, the proper officer may, without prejudice to any action which may be taken under this Act or under any other law for the time being in force, proceed to register such person in such manner as may be prescribed.*
- (9) *Notwithstanding anything contained in sub-section (1), —*
- (a) *any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries; and*
- (b) *any other person or class of persons, as may be notified by the Commissioner,*
- shall be granted a Unique Identity Number in such manner and for such purposes, including refund of taxes on the notified supplies of goods or services or both received by them, as may be prescribed.*
- (10) *The registration or the Unique Identity Number shall be granted or rejected after due verification in such manner and within such period as may be prescribed.*
- (11) *A certificate of registration shall be issued in such form and with effect from such date as may be prescribed.*
- (12) *A registration or a Unique Identity Number shall be deemed to have been granted after the expiry of the period prescribed under sub-section (10), if no deficiency has been communicated to the applicant within that period.*

25.1 Analysis

Every registered person is considered a 'distinct person' for the limited purposes of GST. This is a very important fiction supplied by law so as to overcome the deficiency to constitute a 'supply' within branches of the same entity or person. But for this fiction, imputing 'supply' in respect of supply-like transactions between branches of the same entity or person would have been impossible, in spite of schedule I. In fact, the fiction of 'distinct persons' flows into schedule I and supports the levy of tax on branch-transfers. While branch transfer involving goods is understandable, branch transfers involving services too are taxable, but that is discussed under supply which may be referred.

Section 25 read with Rule 8 to 26 of the CGST Rules, 2017 related to registration provides a detailed road map on the procedural aspects of the registration. The time limit for application is within 30 days (for persons other than casual taxable person or a non-resident taxable person) and casual taxable person or a non-resident taxable person shall have to obtain the registration at least 5 days prior to the commencement.

Single registration will be granted from one State or Union Territory and in case of persons having business across different States, then multiple registrations are granted. Even in a single state, multiple registrations are possible wherever a person has multiple business verticals.

As per rule 8 of the Central Goods and Service Tax Rules, 2017 a Special Economic Zone unit or Special Economic Zone developer shall make a separate application for registration as a business vertical distinct from its other units located outside the Special Economic Zone. IT further provide detailed procedure for application of registration by a person desirous of seeking registration under GST. Various rules are as under:

Rule 8: Application for Registration

Rule 9: Verification of the application and approval

Rule 10: Issue of Registration Certificate

Rule11: Separate Registration for multiple business verticals within a State or a Union Territory

Rule 12: Grant of Registration to persons required to deduct/collect TDS/TCS

Registration Process:

Application	Verification	Approval/Rejection
-Form GST Reg-01 -Part A (PAN, e-Mail, Mobile Verification) -Part B (Other details) -Ack. Form GSTReg-02 -Submit the relevant docs	Initial verification within 3 working days -Clarifications/info required -Form GST Reg-03 -Applicant furnish clarifications in Form GST Reg-04 within next 7 working day	Approval within 3 working days -If satisfactory clarifications received- approval shall be given in next 7 days -If clarifications not satisfactory- intimate the rejection in Form GST REG-05 -Deemed registration--No action taken within 3/7 working days

- Said 17 days process applicable to Inter-state, Voluntary, Casual, Reverse Charge
- Registration Certificate is Issued in Form **GST REG-06**

The Registration rules prescribe 30 different forms in respect of registration matters. The application for registration should be disposed off in a time bound manner and detailed time limits have been prescribed under the rules for various purposes.

SL No	Form No	Title of the Form
1	GST-REG-01	Application for registration
2	GST-REG-02	Acknowledgement
3	GST-REG-03	Notice Seeking Additional information/ clarification/ documents relating to application for registration / amendment / cancellation
4	GST-REG-04	Furnishing clarification/additional information/document sought in GST REG03 within 3 days of application
5	GST-REG-05	Order of rejection of Application sought in GST REG03
6	GST-REG-06	Registration Certificate issued
7	GST-REG-07	Application for Registration of Tax Deductor / Tax Collector at source
8	GST-REG-08	Order of cancellation of registration as Tax deductor or Tax collector at source
9	GST-REG-09	Application for Registration for Non-Resident Taxable person
10	GST- REG-10	Application for registration of person supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person
11	GST-REG-11	Application for extension in period of casual taxable person or non-resident taxable person
12	GST-REG-12	Order of Grant of Temporary Suo Moto Registration
13	GST-REG-13	Application to grant UID
14	GST-REG-14	Application for Amendment in Registration Particulars (For all types of registered persons)
15	GST-REG-15	Order of Amendment
16	GST-REG-16	Application for Cancellation of Registration
17	GST-REG-17	Show Cause Notice for Cancellation of Registration
18	GST-REG-18	Reply to the Show Cause Notice issued for Cancellation
19	GST-REG-19	Order for Cancellation of Registration
20	GST-REG-20	Order for dropping the proceedings for cancellation of registration
21	GST-REG-21	Application for Revocation of Cancellation of Registration

22	GST-REG-22	Order for revocation of cancellation of registration
23	GST-REG-23	Show Cause Notice for rejection of application for revocation of cancellation of registration
24	GST-REG-24	Reply to the notice for rejection of application for revocation of cancellation of registration
25	GST-REG-25	Certificate of Provisional Registration
26	GST-REG-26	Application for Enrolment of Existing Taxpayer
27	GST-REG-27	Show Cause Notice for cancellation of provisional registration
28	GST-REG-28	Order of cancellation of provisional registration
29	GST-REG-29	Application for cancellation of provisional registration
30	GST-REG-30	Form for Field Visit Report

Requirement of a Permanent Account Number or Tax Deduction and Collection Account Number

Every person who is liable to take a registration or wants to obtain voluntary Registration shall have a Permanent Account Number (PAN).

Every person required to deduct tax under section 51 may have, in lieu of a Permanent Account Number, a Tax Deduction and Collection Account Number (TAN)

A non-resident taxable person can obtain registration on the basis of any other document as may be prescribed.

Registration for United Nations or Consulate or Embassy:

Any specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), Consulate or Embassy of foreign countries and any other person or class of persons as may be notified by the Commissioner, shall obtain a Unique Identity Number. The registration shall be for the purpose(s) notified, including seeking to claim refund of taxes paid by them, on the notified supplies of goods and/or services received by them. The supplier supplying to these organization is expected to mention the UID on the invoices and treat such supplies as business to business (B2B) supplies.

Issuance of Registration by Proper Authority:

The registration or Unique Identity Number, (UID) is granted / issued with effective dates. The registration or UID is granted or rejected after due verification and within the time prescribed. A certificate of registration shall also be issued in prescribed form with effective date as may be prescribed.

A registration or a UID shall be deemed to have been granted after the period prescribed (under sub-section (10) of Section 25 of the Act) if no deficiency has been communicated to the applicant within that period. Also, the grant of registration or the Unique Identity Number

under the CGST Act / SGST Act shall be deemed to be a grant of registration or the Unique Identity Number under the SGST/CGST Act provided that the application for registration or the UID has not been rejected//no deficiency has been communicated to applicant by the proper officer under SGST/CGST Act within the time specified. As per Rule 17 of CGST Rules the proper officer may upon submission of GST REG-13 assign UID to these persons and issue a certificate in Form GST REG-06 within a period of 3 working days from the date of submission of application.

Display of Registration certificate and GSTIN on the name board:

Rule 18 of CGST Rules, 2017 provides for display of Registration Certificate & GSTIN on the name board in a prominent location at principal place of business and at every additional place of business.

Statutory Provisions

26. Deemed registration

- (1) *The grant of registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a grant of registration or the Unique Identity Number under this Act subject to the condition that the application for registration or the Unique Identity Number has not been rejected under this Act within the time specified in sub-section (10) of section 25.*
- (2) *Notwithstanding anything contained in sub-section (10) of section 25, any rejection of application for registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a rejection of application for registration under this Act.*

26.1 Analysis

These are the linking provisions between the Central Goods and Services Tax and State/Union Territory Goods and Services Tax Act. By enabling these provisions, the burden of taking registrations under various Acts has been removed. Thus, if a supplier takes a registration under one act it shall be deemed that the registration has also been obtained under the other Act and vice-versa. Even otherwise the registration must be taken on the common portal and is based on the PAN hence the registration will remain common across various Acts.

However, if the registration is rejected under the Central Goods and Services Tax, then such rejection will be treated as if the registration has not been obtained under the Central Goods and Services Tax even though it has been obtained in State/Union Territory Goods and Services Tax Act.

If an application for registration has been rejected under State/Union Territory Goods and Services Tax Act then it shall be deemed that the same has been rejected under the Central Goods and Services Tax Act.

Rejection of Application for Registration:

The proper officer shall not reject the application for registration or the Unique Identification Number (UID) without giving a notice to show cause and without giving the person a reasonable opportunity of being heard.

This implies that the decision to reject an application under this section shall be only after following the principles of Natural justice and after a due process of law by issuance of an order. It should also be noted that any rejection of application for registration or the Unique Identity Number under the CGST Act / SGST Act shall be deemed to be a rejection of application for registration under the SGST Act / CGST Act respectively as the case may be.

Statutory Provision**27. Special provisions relating to casual taxable person and Non- resident taxable person**

(1) The certificate of registration issued to a casual taxable person or a non-resident taxable person shall be valid for a period specified in the application for registration or 90 days from the effective date of registration, whichever is earlier and such person shall make taxable supplies only after the issuance of the certificate of registration:

Provided that the proper officer may, on sufficient cause being shown by the said taxable person, extend the said period of ninety days by a further period not exceeding 90 days.

(2) A casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration under sub-section (1) of section 25, make an advance deposit of tax in an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought:

Provided that where any extension of time is sought under sub-section (1), such taxable person shall deposit an additional amount of tax equivalent to the estimated tax liability of such person for the period for which the extension is sought.

(3) The amount deposited under sub-section (2) shall be credited to the electronic cash ledger of such person and shall be utilized in the manner provided under section 49.

27.1 Analysis

The certificate of registration issued to a “casual taxable person” or a “non-resident taxable person” shall be valid for a period specified in the application for registration or ninety days from the effective date of registration, whichever is earlier, extendable by proper officer for further period of maximum 90 days at the request of taxable person.

A casual taxable person or a non-resident taxable person while seeking registration shall make an advance deposit of tax in an amount equivalent to the estimated tax liability. Where any extension of time is sought, such taxable person shall deposit an additional amount of tax equal to the estimated tax liability for the period for which the extension is sought.

Such deposit shall be credited to the electronic cash ledger of and utilized in the manner provided under section 49 (Payment of Tax, interest, penalty and other amounts) of the Act.

Since the nature of the activity carried out by a casual taxable person and non-resident person are temporary as compared to a regular taxable person, additional safeguards have been placed to ensure that the registration is granted for a limited period and the tax liability is recovered in advance.

Rules 13 of the CGST Rules 2017 provides for the detailed process of grant of registration to non-resident taxable person and Rule 15 provides for the process of extension in period of operation by casual taxable person and non-resident taxable person.

A non-resident taxable person shall electronically submit an application, along with a self-attested copy of his valid passport, for registration, duly signed or verified through electronic verification code, in Form GST REG-09, at least five days prior to the commencement of business, in the case of business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its Permanent Account Number.

A person applying for registration as a non-resident taxable person shall be given a temporary reference number by the common portal for making an advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule 5 of rule 8 shall be issued electronically only after the said deposit in his electronic cash ledger.

Rule 9 and rule 10 of the CGST Rules 2017 shall also apply to an application submitted under this rule. The application for registration made by a non-resident taxable person shall be duly signed or verified through electronic verification code by his authorized signatory who shall be a person resident in India having a valid Permanent Account Number.

Where a registered casual taxable person or a non-resident taxable person intends to extend the period of registration indicated in his application of registration, an Application in Form GST REG-11 shall be submitted electronically, by such person before the end of the validity of registration granted to him. Such application shall be acknowledged only on payment of the amount specified in sub-section (2) of section 27.

Statutory Provision

28. Amendment of Registration

- (1) *Every registered taxable person and a person to whom a unique identity number has been assigned shall inform the proper officer of any changes in the information furnished at the time of registration, or subsequent thereto, in such form and manner and within such period as may be prescribed.*
- (2) *The proper officer may, on the basis of information furnished under sub-section (1) or as ascertained by him, approve or reject amendments in the registration particulars in such manner and within such period as may be prescribed:*

Provided that approval of the proper officer shall not be required in respect of amendment of such particulars as may be prescribed.

Provided further that the proper officer shall not reject the application for amendment in the registration particulars without giving the person an opportunity of being heard.

- (3) *Any rejection or approval of amendments under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a rejection or approval under this Act.*

28.1 Analysis

There are various situations in which the Registration Certificate issued by the competent authority requires amendment in line with real time situations. Under these circumstances, every registered taxable person shall inform any changes in the information furnished at the time of registration.

The proper officer shall not reject the request for amendment without affording a reasonable opportunity of being heard by following the principles of natural justice. Any rejection or approval of amendments under the State Goods and Services Tax Act or Union Territory Goods and Services Act shall be deemed to be a rejection or approval of amendments under the Central Goods and Services Tax Act.

Rule 19 of the CGST Rules 2017 provide for the detailed process of amendment of registration under GST.

Important Points:

- Any change in registration particulars has to be informed within 15 days of change
- Proper officer may approve / reject amendment
- No rejection without giving an opportunity of being heard
- Rejection of amendment under CGST will be a deemed rejection under SGST and vice-versa

Statutory Provision

29. Cancellation of registration

- (1) *The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where, —*

(a) *the business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or*

(b) *there is any change in the constitution of the business; or*

- (c) *the taxable person, other than the person registered under sub-section (3) of section 25, is no longer liable to be registered under Section 22 or Section 24.*
- (2) *The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where, —*
- (a) *a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or*
- (b) *a person paying tax under section 10 has not furnished returns for three consecutive tax periods; or*
- (c) *any registered person, other than a person specified in clause (b), has not furnished returns for a continuous period of six months; or*
- (d) *any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration; or*
- (e) *registration has been obtained by means of fraud, wilful misstatement or suppression of facts:*
- Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard.*
- (3) *The cancellation of registration under this section shall not affect the liability of the person to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.*
- (4) *The cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a cancellation of registration under this Act.*
- (5) *Every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher, calculated in such manner as may be prescribed:*
- PROVIDED that in case of capital goods or plant and machinery, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher.*
- (6) *The amount payable under sub-section (5) shall be calculated in such manner as may be prescribed.*

29.1 Analysis

Any Registration granted under this Act may be cancelled by the Proper Officer; the various circumstances and the provisions of the law on this subject have been outlined under this section.

A registration granted can be cancelled when –

- the business is discontinued, transferred fully for any reason including death of proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or
- there is any change in the constitution of the business; or
- the taxable person is no longer liable to be registered under Section 22.

This is possible after the person is afforded an opportunity of being heard (except no such opportunity need to be provided in case the application is filed by the registered taxable person or his legal heirs, in the case of death of such person, for cancellation of registration) when –

- the registered taxable person has contravened such provisions of the Act or the rules made there under as may be prescribed; or
- a person paying tax under Composition Scheme has not furnished returns for three consecutive tax periods; or
- any taxable person who has not furnished returns for a continuous period of six months; or
- any person who has taken voluntary registration and has not commenced business within six months from the date of registration; or
- Where registration has been obtained by means of fraud, wilful misstatement or suppression of facts.

As such, cancellation of registration, shall not affect the liability of the taxable person to pay tax and other dues under the Act for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation. The cancellation of registration under State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a cancellation of registration under the Central Goods and Service Tax Act.

Where the registration is cancelled, the registered taxable person shall pay an amount equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher. The payment can be made by way of debit in the electronic credit or electronic cash ledger.

In case of capital goods, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods reduced by the prescribed percentage points or the tax on the transaction value of such capital goods [under sub-section (1) of section 15 (Value of Taxable

supply) of Act], whichever is higher. The amount payable under these provisions shall be calculated in accordance with generally accepted accounting principles.

As per Rule 20 of the CGST Rules 2017 application for cancellation of registration by a registered person other than persons required to deduct TDS/ TCS or person to whom UID is granted needs to be made in Form GST REG-16 along with requisite details. However, in case of a taxable person who has obtained voluntary registration, the application for cancellation of registration would not be entertained before expiry of 1 year from effective date of registration.

Rule 21 of the CGST Rules 2017 provides for cases of Cancellation of Registration and includes the following:

- a) does not conduct any business from the declared place of business or
- b) issues invoice or bill without supply of goods or services in violation of the provisions of Act or Rules made thereunder.
- c) violates the provisions of section 171 of the Act or the rules made thereunder.

Reasons for Cancellation

- Transfer of business or discontinuation of business
- Change in the constitution of business. (Partnership Firm may be changed to Sole Proprietorship due to death of one of the two partners, leading to change in PAN)
- Persons no longer liable to be registered under Section 22 and 24 (Except when he is voluntarily registered)
- Where registered taxable person has contravened provisions of the Act as may be prescribed
- A composition supplier has not furnished returns for 3 consecutive tax periods/ any other person has not furnished returns for a continuous period of 6 months
- Non-commencement of business within 6 months from date of registration by a person who has registered voluntarily.

Where registration has been obtained by means of fraud, willful statement or suppression of facts, the registration may be cancelled with retrospective effect

Rule 22 of the CGST Rules 2017 provides for process of Cancellation of Registration and includes the following:

- Cancellation can be done by Proper Officer suo moto or on application made by the registered taxable person;
- Retrospective cancellation in case of fraud, wilful misstatement or suppression of fact;
- Liability to pay tax before the date of cancellation will not be affected;
- Cancellation under CGST Act will be deemed cancellation under SGST Act and vice-versa;

- Substantial penalty in case registration obtained with fraudulent intentions;
- Notice of hearing and opportunity of being heard is a MUST before cancellation

Statutory Provision

30. Revocation of cancellation of registration

- (1) *Subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in the prescribed manner within thirty days from the date of service of the cancellation order.*
- (2) *The proper officer may, in the manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application:*
Provided that the application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an opportunity of being heard.
- (3) *The revocation of cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a revocation of cancellation of registration under this Act.*

30.1 Analysis

Any registered taxable person, whose registration is cancelled, subject to prescribed conditions and circumstances, may apply to proper officer for revocation of cancellation of the registration within 30 days from the date of service of the cancellation order. The proper officer may in prescribed manner and within prescribed period, by an order, either revoke cancellation of the registration, or reject the application for revocation for good and sufficient reasons.

The proper officer shall not reject the application for revocation of cancellation of registration without giving a show cause notice and without giving the person a reasonable opportunity of being heard.

Revocation of cancellation of registration under State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a revocation of cancellation of registration under the Central Goods and Services Tax Act

Rule 23 of the CGST Rules 2017 provides for process of Cancellation of Registration and includes the following:

- Application for revocation or cancellation of registration shall be made within 30 days of date of service of cancellation order;
- No application for revocation shall be filed, if the registration has been cancelled for the failure to furnish returns, unless such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns

- Revocation of cancellation under CGST will be a deemed revocation under SGST and vice-a-versa
- Upon receipt of the information or clarification, the proper officer shall proceed to dispose of the application within a period of thirty days from the date of the receipt of such information of clarification from the applicant.

Rule 24 of the CGST Rules 2017 provides for the Migration of persons registered under the existing law:

Every person, other than a person deducting tax at source or an Input Service Distributor, registered under an existing law and having a Permanent Account Number issued under the provisions of the Income-tax Act, 1961 shall enroll on common portal, the said person shall be granted registration on a provisional basis and a certificate of registration in Form GST REG-25, incorporating the Goods and Services Tax Identification Number therein, shall be made available to him on the common portal. The taxable person who has been granted multiple registrations under the existing law on the basis of a single Permanent Account Number shall be granted only one provisional registration under the Act.

Rule 25 of the CGST Rules 2017 provides for the physical verification of business premises in certain cases. -

Where the proper officer is satisfied that the physical verification of the place of business of a registered person is required after the grant of registration, he may get such verification done and the verification report along with the other documents, including photographs, shall be uploaded in Form GST REG-30 on the common portal within a period of fifteen working days following the date of such verification.

Rule 26 of the CGST Rules 2017 provides for the Method of authentication:

All applications, including reply, if any, to the notices, returns including the details of outward and inward supplies, appeals or any other document required to be submitted under the provisions of these rules shall be so submitted electronically with digital signature certificate or through e-signature as specified under the provisions of the Information Technology Act, 2000 or verified by any other mode of signature or verification as notified by the Board in this behalf: Provided that a registered person registered under the provisions of the Companies Act, 2013 shall furnish the documents or application verified through digital signature certificate.

Each document including the return furnished online shall be signed or verified through electronic verification code-

- (a) in the case of an individual, by the individual himself or where he is absent from India, by some other person duly authorized by him in this behalf, and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;

- (b) in the case of a HUF, by a Karta and where the Karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family or by the authorized signatory of such Karta;
- (c) in the case of a company, by the chief executive officer or authorized signatory thereof;
- (d) in the case of a Government or any Governmental agency or local authority, by an officer authorized in this behalf;
- (e) in the case of a firm, by any partner thereof, not being a minor or authorized signatory thereof;
- (f) in the case of any other association, by any member of the association or persons or authorized signatory thereof;
- (g) in the case of a trust, by the trustee or any trustee or authorized signatory thereof; or
- (h) in the case of any other person, by some person competent to act on his behalf, or by a person authorized in accordance with the provisions of section 48.

30.2 Comparative Review

Under erstwhile law, the threshold limit for registration under Central Excise was INR 150 lacs (this is optional), under service tax was INR 10 lacs and under many State VAT laws between INR 5 – 10 lacs

Section in CGST Act	Title	Corresponding Section in Central Excise Act, 1944	Corresponding Section in Finance Act, 1994	VAT/New Provision
22	Registrations	Section-6 of CEA 1944 read with Rule 9 of Central Excise Rules 2002	Section 69 of the Finance Act 1994 read with Rule 4 of Service Tax Rules 1994	Different states have different provisions under their ACT.

30.3 FAQ's

- Q1. Who is the person liable to take a registration under the GST Law?
- Ans. In terms of Sub-Section (1) of Section 22 of the CGST Act, every supplier making taxable supplies is liable for registration if his aggregate turnover in a financial year exceeds ₹ 20 lakhs.
- Q2. What is the time limit for taking a registration under GST Law?
- Ans. Every person should take a registration, within 30 days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed. Provided casual taxable person or a non-resident taxable person shall apply for registration at least five days prior to the commencement of business.
- Q3. If a person is operating in different states, with the same PAN number, whether he operate with a single registration?

Ans. Every person who is liable to take a registration will have to get registered separately for each of the States where he has a business operation and is liable to pay GST in terms of Sub-section (1) of Section 25 of GST Law.

Q4. Whether a person having multiple business verticals in a State can obtain different registrations?

Ans. In terms of Sub-Section (2) of Section 25, a person having multiple business verticals in a State may obtain a separate registration for each business vertical, subject to such conditions as may be prescribed.

Q5. Is there a provision for a person to get himself registered voluntarily though he may not be liable to pay GST?

Ans. In terms of Sub-section (3) of Section 25 a person, though not liable to be registered under Section 22, may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered taxable person, shall apply to such person.

Q6. Is possession of a Permanent Account Number (PAN) mandatory for obtaining a registration?

Ans. Every person shall have a Permanent Account Number issued under the Income Tax Act, 1961 (43 of 1961) in order to be eligible for grant of registration under Section 22 of the Act.

Q7. Whether the department through the proper officer, *Suo-moto* proceed with registration of a person under this Act?

Ans. In terms of Sub-Section 8 of Section 25, Where a person who is liable to be registered under this Act fails to obtain registration, the proper officer may, without prejudice to any action that is, or may be taken under this Act, or under any other law for the time being in force, proceed to register such person in the manner as may be prescribed *Suo-motto*.

Q8. When the proper Officer can grant a Certificate for registration?

Ans. In terms of Sub-Section 10 of Section 25, the registration Certificate, shall be granted or rejected after due verification in the manner and within such period as may be prescribed.

Q9. Whether the registration granted to any person is permanent?

Ans. Yes, the registration certificate once granted is permanent unless surrendered, cancelled, or revoked.

Q10. What is the validity period of the registration certificate issued to Casual Taxable Person and non-resident Taxable person?

Ans. The certificate of registration issued to a "casual taxable person" or a "non-resident taxable person" shall be valid for a period of 90 days from the effective date of registration. A proviso has been made available in this statute by enshrining a discretionary authority for the proper officer, who may at the request of the said taxable

person, extend the validity of the aforesaid period of 90 days by a further period not exceeding 90 days.

Q.11. Is there any Advance tax to be paid by Casual Taxable Person and non-Resident Taxable person at the time of obtaining registration under this Special Category?

Ans. Yes, it has been made mandatory in the Act, that a casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration under sub-section (2) of section 27, make an advance deposit of tax in an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought. This provision of depositing advance additional amount of tax equivalent to the estimated tax liability of such person is applicable for the period for which the extension beyond 90 days is being sought.

Q12. Whether amendments to the Registration Certificates issued by the proper officer is permissible?

Ans. In terms of Section 28, the proper officer may, on the basis of such information furnished either by the registrant or as ascertained by him, approve or reject amendments in the registration particulars in the manner and within such period as may be prescribed:

Q13. Whether Cancellation of registration Certificate is permissible?

Ans. Any registration granted under this Act may be cancelled by the proper officer, on various circumstances and the provisions of the law on this subject have been outlined under Section 29 of the ACT. The proper officer may, either on his own motion or on an application filed, in the prescribed manner, by the registered taxable person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed.

Q14. Whether cancellation of registration under CGST ACT means cancellation under SGST ACT also?

Ans. The cancellation of registration under the CGST Act /SGST Act shall be deemed to be a cancellation of registration under the SGST Act / CGST Act respectively.

Q.15. Can the proper officer cancel the registration on his own?

Ans. Yes, the proper officer can cancel the registration once issued on his own Volition However, such officer must follow the principles of natural justice by issuing a Notice and providing opportunity of being heard.