

GOODS & SERVICE TAX (GST)

FREQUENTLY ASKED QUESTION ON GST REGISTRATION

1. What is a GST Registration?

Ans. GST Registration of a business with the tax authorities implies obtaining a unique, 15-digit Goods and Service Tax Identification Number (GSTIN) from the GST authorities so that all the operations of and the data relating to the business can be collected and correlated. In any tax system this is the most fundamental requirement for identification of the business for tax purposes or for having any compliance verification program.

2. What is advantage of taking registration in GST?

Ans. Registration under Goods and Service Tax (GST) regime will confer following advantages to the business:

- Legally recognized as supplier of goods or services.
- Proper accounting of taxes paid on the input goods or services which can be utilized for payment of GST due on supply of goods or services or both by the business.
- Legally authorized to collect tax from his purchasers and pass on the credit of the taxes paid on the goods or services supplied to purchasers or recipients.
- Getting eligible to avail various other benefits and privileges rendered under the GST laws.

3. Can a person without GST registration claim ITC and collect tax?

Ans. No, a person without GST registration can neither collect GST from his customers nor can claim any input tax credit of GST paid by him.

4. What will be the effective date of registration?

Ans. Where the application for registration has been submitted within thirty days from the date on which the person becomes liable to registration, the effective date of registration shall be the date on which he became liable for registration.

Where an application for registration has been submitted by the applicant after thirty days from the date of his becoming liable to registration, the effective date of registration shall be the date of grant of registration.

In case of a person taking registration voluntarily while being within the threshold exemption limit for paying tax, the effective date of registration shall be the date of order of registration.

5. Do I need to register under the GST Act?

Ans. Registration under the GST Act is mandatory if your aggregate annual PAN-based turnover exceeds INR 40,00,000 (Rupees Forty Lakhs) however the threshold for registration is INR 20,00,000 (Rupees Twenty Lakhs) if you have a place of business in Arunachal Pradesh, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, or Uttarakhand. Regardless of your turnover, registration is mandatory if

- You make Inter-State Supplies
- You supply goods through an E-commerce portal
- You are a/an
 - o Agent for Registered Principal

- o Liable to Pay Reverse Charge
- o Non-resident Taxable Person
- o Casual Taxable Person
- o Input Service Distributor
- o TDS/TCS Deductor
- o E-commerce Operator
- o An online data access and retrieval service provider

New Registration Limit Snapshot:

Type of Taxpayers	Type of Supplies	Exemption Limit Up To March 31, 2019	Exemption Limit With Effect From April 1, 2019
Normal taxpayers	Supply of goods only	Aggregate annual turnover of up to Rs. 20 lakhs	Aggregate annual turnover increased to up to Rs. 40 lakhs
Special category states	Supply of goods only	Aggregate annual turnover of up to Rs. 10 lakhs	Aggregate annual turnover increased up to Rs. 20 lakhs
Normal taxpayers	Supply of services only	Aggregate annual turnover of up to Rs. 20 lakhs	Aggregate annual turnover of up to Rs. 20 lakhs (remains unchanged)
Special category states	Supply of services only	Aggregate annual turnover of up to Rs. 10 lakhs	Aggregate annual turnover of up to Rs. 10 lakhs (remains unchanged)

6. What is aggregate turnover?

Ans. As per section 2(6) of the CGST/TSGST Act “aggregate turnover” includes the aggregate value of:

- (i) all taxable supplies,
- (ii) all exempt supplies,
- (iii) exports of goods and/or service, and,
- (iv) all inter-state supplies of a person having the same PAN.

The above shall be computed on all India basis and excludes taxes charged under the CGST Act, TSGST Act, UTGST Act, and the IGST Act. Aggregate turnover shall include all supplies made by the Taxable person, whether on his own account or made on behalf of all his principals.

Aggregate turnover does not include value of supplies on which tax is levied on reverse charge basis, and value of inward supplies.

The value of goods after completion of job work is not includible in the turnover of the job-worker. It will be treated as supply of goods by the principal and will accordingly be includible in the turnover of the Principal.

7. If a person is operating in different states, with the same PAN number, whether he can operate with a single Registration?

Ans. No. 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 Section 22(1) of the CGST/TSGST Act.

8. Can a person obtain multiple registrations in a State?

Ans. Yes. In terms of the proviso to Sub-Section (2) of Section 25, a person having multiple place of businesses in a State or UT may obtain a separate registration for each such place of business, subject to such conditions as prescribed in the registration rules.

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

Ans. Yes. In terms of Section 25(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 taxable person, shall apply to such person. The person, once registered, will have to pay GST irrespective of his aggregate turnover.

10. Is possession of a Permanent Account Number (PAN) mandatory for obtaining a Registration?

Ans. Yes. As per Section 25(6) of the CGST/SGST Act 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. However as per the proviso to the aforesaid section 25(6), a person required to deduct tax under Section 51, may have, in lieu of a PAN, a Tax Deduction and Collection Account Number issued under the said Income Tax Act, in order to be eligible for grant of registration. Also, as per Section 25(7) PAN is not mandatory for a non-resident taxable person who may be granted registration on the basis of self-attested copy of valid passport.

11. What are the prerequisites for registration on the GST Portal?

Ans. To apply for a new registration, you must have

- PAN card/details of your business
- Valid and accessible e-mail ID and Mobile Number
- Documentary proof of constitution of your business
- Documentary proof of promoters/partners
- Documentary proof of principal place of business
- Details of additional places of business, if applicable
- Details of Authorised Signatories including photographs and proof of appointment
- Details of Primary Authorised Signatory
- Business bank account details along with bank statement or first page of bank passbook
- Valid Class II or Class III DSC of authorised signatory in case of companies and LLPs; valid Class II or Class III DSC or Aadhaar (for E-Sign option) in case of other entities. Note: Your mobile number should be updated with the Aadhaar authorities otherwise you cannot use E-Sign option because OTP will be sent to the number in the Aadhaar database.

12. Whether the proper officer can reject an Application for Registration?

Ans. Yes. In terms of section 25(10) of the CGST Act, the proper officer can reject an application for registration after due verification.

Where the application submitted is found to be deficient, the proper officer may issue a notice to the applicant electronically in FORM GST REG-03 within a period of three working days from the date of submission of the application and the applicant shall furnish such clarification, information or documents electronically, in FORM GST REG-04, within a period of seven working days from the date of the receipt of such notice.

Where no reply is furnished by the applicant or where the proper officer is not satisfied with the clarification, information or documents furnished, he shall, for reasons to be recorded in writing, reject such application and inform the applicant electronically in FORM GST REG 05.

13. Whether the Registration granted to any person is permanent?

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

14. Will the address of business premises mentioned in the application for registration be verified physically by the department?

Ans. Only in cases where the proper officer feels the need for such verification but after the grant of registration. Wherever the proper officer feels so, he may get such verification done and the verification report along with other documents, including photographs, shall be uploaded in FORM GST REG-30 on the Common Portal within fifteen working days following the date of such verification.

15. Who is a Casual Taxable Person?

Ans. Casual Taxable Person has been defined in Section 2 (20) of the CGST/TSGST Act meaning a person who occasionally undertakes transactions involving supply of goods and/or services in the course or furtherance of business, whether as principal, or agent or in any other capacity, in a State or a Union territory where he has no fixed place of business.

16. Who is a Non-resident Taxable Person?

Ans. In terms of Section 2(77) of the CGST/TSGST Act, a nonresident taxable person means any person who occasionally undertakes transactions involving supply of goods and/or services whether as principal or agent or in any other capacity, but who has no fixed place of business or residence in India.

17. What is the validity period of the Registration certificate issued to a Casual Taxable Person and non- Resident Taxable person?

Ans. In terms of Section 27(1) read with proviso thereto, 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. However, the proper officer, at the request of the said taxable person, may extend the validity of the aforesaid period of ninety days by a further period not exceeding ninety days.

18. Is there any Advance tax to be paid by a Casual Taxable Person and Non-resident Taxable Person at the time of obtaining registration under this Special Category?

Ans. Yes. While a normal taxable person does not have to make any advance deposit of tax to obtain registration, a casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration is required, in terms of Section 27(2) read with proviso thereto, to 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. If registration is to be extended beyond the initial period of ninety days, an advance additional amount of tax equivalent to the estimated tax liability is to be deposited for the period for which the extension beyond ninety days is being sought.

19. Who is an ISD?

Ans. ISD stands for Input Service Distributor and has been defined under Section 2(61) of the CGST/TSGST Act. It is basically an office meant to receive tax invoices towards receipt of input services and further distribute the credit to supplier units (having the same PAN) proportionately.

20. Will ISD be required to be separately registered other than the existing tax payer registration?

Ans. Yes, the ISD registration is for one office of the taxpayer which will be different from the normal registration.

21. What could be the liabilities (in so far as registration is concerned) on transfer of a business?

Ans. The transferee or the successor shall be liable to be registered with effect from such transfer or succession and he will have to obtain a fresh registration with effect from the date of such transfer or succession. (Section 22(3)).

22. Can the registration certificate be downloaded from the GSTN portal?

Ans. In case registration is granted; applicant can download the Registration Certificate from the GST common portal.

23. Whether Amendments to the Registration Certificate is permissible?

Ans. Yes. 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 within a period of 15 common working days from the date of receipt of application for amendment.

It is to be noted that permission of the proper officer for making amendments will be required for only certain core fields of information, whereas for the other fields, the certificate of registration shall stand amended upon submission of application in the GST common portal.

24. Whether Cancellation of Registration Certificate is permissible?

Ans. Yes. Section 29 of the CGST/TSGST Act, provides that a taxpayer can apply for cancellation of registration in FORM GST REG-16 in the following circumstances:

- Discontinuance of business or closure of business;
- Transfer of business on account of amalgamation, merger, de-merger, sale, lease or otherwise;
- Change in constitution of business leading to change in PAN;
- Taxable person (including those who have taken voluntary registration) is no longer liable to be registered under GST;
- Death of sole proprietor;
- Any other reason (to be specified in the application)

Application in FORM GST REG-16 has to be submitted within a period of 30 days of the “occurrence of the event warranting the cancellation”.

25. Whether cancellation of Registration under CGST Act means cancellation under SGST Act also?

Ans. Yes, the cancellation of registration under one Act (say SGST Act) shall be deemed to be a cancellation of registration under the other Act (i.e. CGST Act). (Section 29 (4))

26. Whether cancellation of registration has any impact on the liabilities of the taxpayers?

Ans. The cancellation of registration has no effect on the liability of the taxpayer for any acts of commission/omission committed before or after the date of cancellation. As per section 29(3) of the CGST/TSGST Act, the cancellation of registration shall not affect the liability of the person to pay tax and other dues 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.

27. Can cancellation of registration order be revoked?

Ans. Yes, but only in cases where the initial cancellation has been done by the proper officer suo moto, and not on the request of the taxable person or his legal heirs. A person whose registration has been cancelled suo moto can apply to the proper officer for revocation of cancellation of registration within 30 days from the date of communication of the cancellation order. The proper officer may within a period of 30 days from the date of receipt of application for revocation of cancellation or receipt of information/clarification, either revoke the cancellation or reject the application for revocation of cancellation of registration.