

FAQ ON REGISTRATION

Q1: What is advantage of taking registration in GST?

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.
- Pass on the credit of the taxes paid on the goods or services supplied to purchasers or recipients.

Q2 Can dealer without GST registration can claim ITC and collect tax?

A legal person without GST registration can neither collect GST from his customers nor claim any input tax credit of GST paid by him.

Q3 Does threshold limit for registration includes exports?

Ans There will be a threshold of Gross Annual Turnover including exports and exempted supplies (to be calculated on all-India basis¹) below which any person engaged in supply of Goods or Services or both will not be required to take registration

Q4 What will be the time limit for registration after reaching threshold limit?

Ans Once a dealer crosses the required threshold or he starts a new business, registration application must be filed within 30 days from the date of the dealer's liability for obtaining such registration.

Q5 What will be the effective date of registration?

Effective date of registration would be the date of application in all cases i.e. whether the application has been filed within prescribed time limit of 30 days or otherwise.

Q6 Can the dealer claim ITC for the goods purchased before effective date of registration?

GST Law Drafting Committee to make provision relating to eligibility for ITC accordingly as well as for levying penalty in case of a dealer failing to register within the stipulated time period.

Q7 Can a dealer having turnover below threshold limit take GST registration?

Dealers with all-India gross annual turnover below the threshold turnover would be allowed to take registration, if he wants to. By taking such voluntary registration he can enter the credit chain even prior to crossing the threshold limit, provided he does not opt for the Compounding scheme

Q8 Can compounding dealer collect tax and claim input tax credit?

There will be another relatively higher threshold of Gross Annual Turnover (to be calculated on all-India basis) to be called Compounding turnover up to which the registered person can opt to pay tax at a specified percentage of the turnover, without entering the credit chain. Such registered person will neither be allowed to collect tax from his customers nor claim any input tax credit.

Q9 For how much period shall compounding dealer remain in compounding scheme?Is it necessary to give application for compounding every year?

Compounding dealers shall remain under compounding scheme till their turnover crosses threshold or they opt for out of the scheme. Such dealers don't have to apply every year to remain under the compounding scheme. However, if the compounding dealer opts out of compounding in a financial year, for any reason, but eligible and wish to avail compounding in the next financial year, such dealer will have to apply afresh for compounding in the beginning of the financial year in which he wishes to claim compounding scheme.

Q10 If the turnover of a dealer falls in the limit of compounding and the dealer hasn't opted for compounding, can he claim ITC?

The registered person eligible for the Compounding scheme but opting against the Compounding can pay regular taxes and file tax returns on monthly basis, and thereby make his supplies eligible for input tax credit in the hands of the purchasers/recipients.

Q11 Is it mandatory for the dealer involved in interstate business to take GST registration?

Irrespective of turnover, if a taxable person carries out any inter-state supply and / or is liable to pay GST under reverse charge, he will be compulsorily required to take registration. Such person shall neither be eligible for exemption threshold nor for Compounding scheme. **However, individual importing services for personal consumption will not be liable to pay GST under reverse charge or register under GST if the GST law so provides.**

Q12 Is it necessary for the UN bodies to get registration in the GST portal?

All UN bodies seeking to claim refund of taxes paid by them would be required to obtain a unique identification number (ID) from the GST portal. The structure of the said ID would be uniform across the States in uniformity with GSTIN structure and the same will be common for the Centre and the States.

Q13 What is the responsibility of the dealers supplying to UN bodies?

The supplier supplying to these organizations is expected to mention the UID on the invoices and treat such supplies as B2B supplies and the invoices of the same will be uploaded by the supplier.

Q14 Is it necessary for the Govt organisation to get registration in the GST portal?

A unique identification number (ID) would be given by the respective state tax authorities through GST portal to Government authorities / PSUs **not making outwards supplies of**

GST goods (and thus not liable to obtain GST registration) but are making inter-state purchases.

Q15 What is the responsibility of the dealers supplying to Govt bodies?

The supplier supplying to these organizations is expected to mention the UID on the invoices and treat such supplies as B2B supplies and the invoices of the same will be uploaded by the supplier.

Q16 Is it necessary to take separate registration for different states?

For each State the taxable person will have to take a separate registration, even though the taxable person may be supplying goods or services or both from more than one State as a single legal entity.

Q17 If the dealer has different verticals in the state , shall he take separate registration for all?

Multiple registrations within one State to business verticals [as defined in Accounting Standard (AS) 17 issued by ICAI] of a taxable person may also be permitted, subject to all the verticals being on the same scheme of tax treatment.

Q18 Is there any provision for the registration for limited period in GST?

A supplier who is not registered on regular basis, whether on mandatory or voluntary basis, in other State (s) and desires to conduct business in a particular State for a limited period, will have to obtain registration in that State for that limited period. Such suppliers are known as casual dealers and shall not be allowed to opt for composition scheme. However, the supplier would be eligible to claim ITC on purchases / inward supplies. The period of registration would be mentioned in the registration certificate also.

Q19 What will be the assessment process for the Casual Registration?

Return for such taxpayers would also be different. Such taxpayers would be required to self-assess their likely liability and deposit the same as an Advance Tax. Such amount would be deposited by way of two Demand Drafts (one for Centre and other for State) which would be returned to the taxpayer after he has discharged his final liability.

Q20 What is Non Resident supplier?

Non-resident Supplier is a person who, in the course of business, makes an intra-state supply of goods or services or both, but is not a resident in the state in which he has applied for registration, but is already registered in any other state.

Q21 What will be the process of registration for Non resident supplier?

The Non-Resident Supplier is already registered in another State, there would be an easy way of registering such entities in the State in which registration is applied as Non-Resident Supplier. The provisions applicable on casual dealers may apply to them except that no security deposit or advance tax collection may be made in their case.

Q22 What will be the structure of GSTIN no?

Each taxpayer will be allotted a State wise PAN-based 15-digit Goods and Services Taxpayer Identification Number (GSTIN).

Various digits in GSTIN will denote the following: State Code			PAN			Entity Code			BLANK			Check Digit		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

State Code --- „09“ for the State of Uttar Pradesh

13th digit would be alpha-numeric (1-9 and then A-Z) and would be assigned depending on the number of registrations a legal entity (having the same PAN) has within one State.

14th digit of GSTIN would be kept BLANK for future use.

Q23 What will be the provisions for registrations for different verticals?

In GST regime multiple registrations within a State for business verticals of a taxable person would be allowed. This provision should be subject to following specific stipulations –

- (1) Input Tax Credit across the business verticals of such taxable persons shall not be allowed unless the goods or services are actually supplied across the verticals.
- (2) For the purpose of recovery of dues, all business verticals, though separately registered, will be considered as a single legal entity

Q24 What will be the process of switching from Compounding to Normal scheme?

Switching over from Compounding scheme to Normal scheme and *vice-versa* would be dealt in the manner described below –

- (1) Any existing taxpayer not under Compounding scheme may opt for Compounding scheme, if eligible, only from the beginning of the next Financial Year. The application will have to be filed on or before 31st March of the previous year so that Returns can be filed accordingly.
- (2) Compounding dealer may be allowed to switch over to Normal scheme even during the year if they so want, with a condition that they cannot switch over to Compounding scheme again during the same financial year.
- (3) Any existing taxpayer under the Compounding scheme upon crossing the Compounding threshold will be switched over to the Normal scheme automatically from the day following the day of crossing the Compounding threshold. **GST Law drafting committee should provide for a suitable time-period of inputs and capital goods purchases on which ITC would be permitted at the time of switching over to Normal scheme.**
- (4) For the changes covered by (1) to (3) above, the validation in the return module should change automatically under intimation to the concerned taxpayer and both the tax authorities. A suitable validation / dependency of the return module should be established.

Q25 Is there any process for online verification of PAN?

Online verification of PAN of the Business / Sole Proprietor/ Partner/Karta/**Managing Director and whole time directors**/Member of Managing Committee of Association, Managing trustee/authorized signatory etc. of the business would be mandatory and without such verification, registration application will **not be allowed to be submitted**.

Q26 Is there any system to facilitate smaller dealers or dealers having no IT infrastructure?

In order to cater to the needs of taxpayers who are not IT savvy, following facilities shall be made available:-

Tax Return Preparer (TRP): A taxable person may prepare his registration application / returns himself or can approach the TRP for assistance. TRP will prepare the said registration document / return in prescribed format on the basis of the information furnished to him by the taxable person. The legal responsibility of the correctness of information contained in the forms prepared by the TRP will rest with the taxable person only and the TRP shall not be liable for any errors or incorrect information.

Facilitation Centre (FC) shall be responsible for the digitization and / or uploading of the forms and documents including summary sheet duly signed by the Authorized Signatory and given to it by the taxable person. After uploading the data on common portal using the ID and Password of FC, a print-out of acknowledgement will be taken and signed by the FC and handed over to the taxable person for his records. The FC will scan and upload the summary sheet duly signed by the Authorized Signatory.

Q 27 Which documents have to be uploaded for Constitution of business at the time of registration?

Relevant Box No. in the Registration Form	Document required to be uploaded	Reason for requirement
2. Constitution of Business	<input type="checkbox"/> Partnership Deed in case of Partnership Firm ; <input type="checkbox"/> Registration Certificate in case of other businesses like Society, Trust etc. which are not captured in PAN.	In case of Companies, GSTN would strive for online verification of Company Identification Number (CIN) from MCA21. Constitution of business / applicant as per PAN would be taken except for businesses such as Society, Trust etc. which are not captured in PAN. Partnership Deed would be required to be submitted in case of Partnership Firms.

Q28 Which documents have to be uploaded for Principal place of business at the time of registration?

Relevant Box No. in the Registration Form	Document required to be uploaded	Reason for requirement
11. Details of the Principal Place of business	<p>In case of Own premises – any document in support of the ownership of the premises like Latest Tax Paid Receipt or Municipal Khata copy or Electricity Bill copy</p> <ul style="list-style-type: none"> • In case of Rented or Leased premises – a copy of the valid Rent / Lease Agreement with any document in support of the ownership of the premises of the Lessor like Latest Tax Paid Receipt or Municipal Khata copy or Electricity Bill copy <ul style="list-style-type: none"> • In case of premises obtained from others, other than by way of Lease or Rent – a copy of the Consent Letter with any document in support of the ownership of the premises of the Consenter like Municipal Khata copy or Electricity Bill copy • Customer ID or account ID of the owner of the property in the record of electricity providing company, wherever available should be sought for address verification. 	This is required as an evidence to show possession of business premises. If the documentary evidence in Rent Agreement or Consent letter shows that the Lessor is different from that shown in the document produced in support of the ownership of the property, then the case must be flagged as a “Risk Case”, warranting a post registration visit for verification. GST Law Drafting Committee may add penalty provision for providing wrong lease details.

Q29 Which documents have to be uploaded for Bank account at the time of registration?

Relevant Box No. in the Registration Form	Document required to be uploaded	Reason for requirement
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Details of Bank Account	Opening page of the Bank Passbook held in the name of the Proprietor / Business Concern – containing the Account No., Name of the Account Holder, MICR and IFS Codes and Branch details	This is required for all the bank accounts through which the taxpayer would be conducting business.
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Q29 Which documents have to be uploaded for Authorised signatory at the time of registration?

Relevant Box No. in the Registration Form	Document required to be uploaded	Reason for requirement
17. Details of Authorised Signatory	For each Authorised Signatory: <ul style="list-style-type: none"> Letter of Authorisation or copy of Resolution of the Managing Committee or Board of Directors to that effect 	This is required to verify whether the person signing as Authorised Signatory is duly empowered to do so.

Q30 Whose photograph has to be uploaded at the time of registration?

Relevant Box No. in the Registration Form	Document required to be uploaded	Reason for requirement
Photograph	<ul style="list-style-type: none"> Proprietary Concern – Proprietor Partnership Firm / LLP – Managing/ Authorized Partners (personal details of all partners is to be submitted but photos of only ten partners including that of Managing Partner is to be submitted) HUF – Karta Company – Managing Director or the Authorised Person Trust – Managing Trustee Association of Person or Body of Individual – Members of Managing Committee (personal details of all members is to be submitted but photos of only ten members including that of Chairman is to be submitted) Local Body – CEO or his equivalent Statutory Body – CEO or his equivalent Others – Person in Charge 	

Q31 Is there facility for digital signature in the GSTN registration?

Taxpayers would have the option to sign the submitted application using valid digital signatures (if the applicant is required to obtain DSC under any other prevalent law then he will have to submit his registration application using the same).

Q32 What will be the procedure for the dealers having no digital signature?

In the absence of digital signature, taxpayers would have to send a signed copy of the summary extract of the submitted application form printed from the portal to a central processing center to be operated by GSTN. The location details of this central processing center would be intimated to the applicant along with the application acknowledgement number.

Q33 What will be the time limit for sending the summary sheet?

If the signed copy of the summary extract of the submitted application form is not received within 30 days, a reminder will be sent through e-mail and SMS to the authorized signatory through the portal. If the copy is not received within 30 days after such reminder being sent, the system will prompt the concerned tax authority to initiate the action for cancellation of the registration. Such cancellation will have prospective effect i.e. from the date of cancellation.

Q34 Will the application not be processed till summary extract received at the location office?

The application will be processed even without waiting for receipt of the signed copy of the summary extract.

Q35 After submitting the online application at GSTN which information will be forwarded to the state?

The application form will be passed on by GST portal to the IT system of the concerned State/ Central tax authorities for onward submission to appropriate jurisdictional officer (based on the location of the principal place of business) along with the following information –

- (1) Uploaded scanned documents;
- (2) State specific data and documents;
- (3) Details if the business entity is already having registration in other States. This should also include GST compliance rating⁴;
- (4) Details of the PAN(s) of individuals mentioned in the application which are part of the other GST registrations;
- (5) Acknowledgment number
- (6) Details of any record of black-listing or earlier rejection of application for common PAN(s).

Q36 What will be the time limit for the decision on the online application?

If the information and the uploaded documents are found in order, the State and the Central authorities shall approve the application and communicate the approval to the common portal within 3 common working days. The portal will then automatically generate the Registration Certificate.

Q37 What will be the time if query is raised in the online application?

If during the process of verification, one of the authorities raises some query or notices some error, the same shall be communicated to the applicant either by the Tax Authority directly or through the GST Common Portal and also simultaneously to the other authority and to the GST Common Portal within 3 common working days. The applicant will reply to the query / rectify the error / answer the query within a period informed by the concerned tax authorities (Normally this period would be seven days).

On receipt of additional document or clarification, the relevant tax authority will respond within 7 common working days.

Q38 What is the process of refusal of online registration?

In case registration is refused, the applicant will be informed about the reasons for such refusal through a speaking order. The applicant shall have the right to appeal against the decision of the Authority. **A deeming provision to the effect that rejection of the registration application by one authority amounts to rejection by both Centre and State will need to be incorporated in the GST law.**

Q39 Will there be any communication related to the application disposal?

The applicant shall be informed of the fact of grant or rejection of his registration application through an e-mail and SMS by the GST common portal. Jurisdictional details would be intimated to the applicant at this stage.

Q40 Can the registration certificate be downloaded from the GSTN portal?

In case registration is granted, applicant can download the Registration Certificate from the GST common portal. **GST law may provide that GST Registration certificate shall be displayed at the principal place of business of the taxpayer.**

Q41 What will be the procedure for the cancellation or surrender of GST registration?

In the following cases, the registration can be either surrendered by the registrant or cancelled by the tax authorities:

(1) Closure of business of tax payer;

(2) Gross Annual Turnover including exports and exempted supplies (to be calculated on all-India basis) falling below threshold for registration;

(3) Transfer of business for any reason including due to death of the proprietor of a proprietorship firm;

(4) Amalgamation of taxable person with other legal entities or de-merger;

(5) Non commencement of business by the tax payer within the stipulated time period prescribed under the GST laws

Q42 What will be the process for the surrender of application?

In case of surrender, the system will send an acknowledgment by SMS and e-Mail to the applicant regarding his surrender of registration and he will be deemed to be unregistered from the date of such acknowledgement. There will be a provision in the system to prompt such surrendered registrants to update their address and mobile number at a prescribed periodicity till all dues are cleared/refunds made.

Q43 What will be the conditions for the cancellation of registration by tax authorities?

The cancellation of registration may be done by tax authorities in the following situations:

(1) In case signed copy of the summary extract of submitted application form is not received even after a reminder;

(2) In case a tax payer contravenes specified provision of the GST law;

(3) In case a taxpayer has not filed any return at all during a predetermined period (say six months). In case a taxpayer has filed a nil return continuously for this period, then the provisions of cancellation will not be applicable.

(4) The cancellation of registration may be preceded by system generated notice giving 7 days" time for furnishing reply by the taxpayer. Principle of natural justice to be followed before cancellation, i.e., giving an opportunity to taxpayer to be heard and passing of order.

Q44 Can the surrendered or cancelled registration be revoked?

If the taxpayer approaches the tax authority for revocation of surrendered or cancelled registration, the surrendered / cancelled registration can be revoked. The action for revocation would be initiated by that Authority which has cancelled the registration or had earlier accepted the surrender of registration. The action for revocation / cancellation of registration would have to be initiated by both Centre and State tax authorities. Once the registration is cancelled by one authority it would be deemed to be cancelled by other authority also.