PROPOSED REGISTRATION PROCESS

29th October, 2015
Chennai
Registration of Taxable Persons under GST

- To give a unique identification to every taxable person
- Link all GST related transactions of every person
- Enable proper accounting of taxes paid on input goods and services
- Enable passing of tax credit on supply of goods and services
- Ease in compliance verification
Who are liable to be registered?

- Persons registered to pay existing taxes that will be subsumed under GST
- Persons with All-India Gross Turnover more than a threshold
- Persons making interstate supplies
- Casual and non-resident suppliers
- Voluntary Registration below threshold
- Unique-id for specific class of persons
Salient Features of Registration Process

- PAN based Registration: PAN will be mandatory
- Unified application to both tax authorities
- To be filed within 30 days
- State-wise registration for entities having presence in more than one State
  - Need not apply separately for each State
- Deemed approval within three days
- Within a PAN, separate registration for separate business verticals within a State possible
### Structure of GSTIN

- **15 digit Alphanumeric structure**
- **State-wise**
- **Based on PAN**
- **13th Digit for Business Verticals of entities with same PAN in same State**
- **14th digit left blank for future use**
- **15th digit – Checksum**

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<tr>
<th>State</th>
<th>PAN</th>
<th>Entity</th>
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Suppliers under Composition Scheme

- Suppliers with turnover below a particular threshold eligible for composition scheme
- To pay tax on turnover with no input tax credit
- To opt at the beginning of the year – applicable till eligibility or opting out
- Switch from composition to regular scheme voluntarily or on crossing threshold
- Suppliers making interstate supplies not eligible
Obtaining Registration

- Migration of existing tax payers to the GSTN database
  - Taxpayers with valid PAN
- Online application form through Common Portal
- Documents to be filed for
  - Constitution of Business
  - Principal Place of Business
  - Bank Accounts
  - Authorised Signatory
  - Photograph
Obtaining Registration

- Applications not submitted through Digital Signature to be supported by sending a signed copy of summary extract of the form
  - Processing of application and grant of registration even before signed copy received
  - Cancellation to be initiated if no signed copy received
- Email and SMS based alerts to the applicants
- No application fee (advance tax in case of casual suppliers)
- Applications can be filed through Facilitation Centres (FCs) or through Tax Return Preparers (TRPs)
Approval process

- Online verification of certain details like PAN, CIN, Bank Account (if possible) and Adhaar
- Online communication of application to jurisdictional authority by the backend modules of tax authorities
- 3 common working days for tax authorities to respond
- Deemed approval after 3 days
- Single opportunity to tax authorities to raise query, if any – 7 days for response and 7 days for action
- Mostly post registration visits based on risk profile
Approval process

- Online grant of registration
- Log-in id and temporary password communicated to the tax payer
- Downloadable Registration Certificate to be provided by GSTN
- Refusal to register by one tax authority deemed as refusal by both
- Communication of reason for refusal of registration
Migration of Existing Tax Payers

- Existing registrants either with States or with Centre to be migrated to GSTIN - Process already initiated
  - VAT registration data to be used for migration of dealers in goods
  - Service Tax registration data to be used for migration of service providers
- Validation of existing registration information by GSTN
- Verification / updation of migrated data by existing registrants within a specified period
- Issuance of GSTIN by GSTN
- Verification by Centre/State Authorities after issuance of GSTIN
Amendment to Registration Details

- On-time amendment essential for efficient tax administration
- Most of the details to be amended by the taxpayer on self-service basis
- Some of them like mobile number and email address through online verification
- Some critical details like name, principal place of business to be amended after approval from tax authorities
Surrender and Cancellation

- Registration can be surrendered or can be cancelled on
  - Closure of business of tax payer
  - Gross Annual Turnover falling below threshold for registration
  - Transfer of business
  - Amalgamation of taxable person with other legal entities or de-merger
  - Non commencement of business by tax payer within the stipulated time period prescribed under GST law
Surrender and Cancellation

- Cancellation by Tax authorities:
  - Signed copy of the summary extract of submitted application form not received even after a reminder
  - Taxpayer contravenes specified provision of the GST law
  - Taxpayer has not filed any return at all during a prescribed period as prescribed under GST Law

- Cancellation of registration to be prospective

- A person, whose registration was cancelled by tax authority on his own motion, may apply for revocation of registration

- Substantial penalty in case registration obtained with fraudulent intentions
THANK YOU!
ANY QUESTIONS?

For more information
http://dor.gov.in/scgst