Lakshmikumaran & Sridharan attorneys

L&S Update

an e-update to clients from
Lakshmikumaran & **Sridharan**

L&S GST Update No. 17
30th September 2016

GST Registration – Draft Rules and Formats

- The CBEC has released draft GST rules and formats for registration, payment & invoice.

- The draft rules for registration explain procedures for obtaining registration by a taxable person, including persons required to deduct tax at source or collect tax at source, special entities, non-resident taxable person etc.

- The rules also explain procedures relating to amendment to the registration, suo moto registration, cancellation and migration of existing tax payers.

Existing registration

- Migration (Rule 14)

New registration

- Tax deductors u/s 37 (Rule 5)
- Tax collectors u/s 43C (Rule 5)
- Non resident taxable person (Rule 8)
- Special entities (Unique Identification Number) (Rule 6)
- Others (including casual taxable person and ISD) (Rule 1)

Other key highlights

- Amendment, cancellation and revocation of cancellation of registration
- Suo moto registration
- Display of Registration Certificate and GSTIN
- Physical verification of business premises

Registration

- Separate registration by taxable person in each state.
- No separate registration for SGST, CGST and IGST.
- State wise PAN based 15 digit Goods and Services Taxpayer Identification Number (GSTIN) will be issued to all registered persons.

PAN based unique GSTIN for each state

State Code		PAN										Entity Code (w/n state)	Blank	Check Digit
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Procedure for Registration of New Applicants

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Application for registration GST REG-01

30 days from the day the person becomes so liable

Acknowledgement to applicant GST REG-02

After the person submits the Form GST REG-01

Clarification required from applicant GST REG-03

3 common working days from the date of submission of application

Clarification by applicant GST REG-04

7 common working days from the date of receipt of such intimation

Rejection of application GST REG-05

Issue of registration certificate GST REG-06

3 working days from the date of application
OR
7 working days from the date of such clarification

Migration of Existing Taxpayers

- A provisional registration will be granted to the persons registered under existing laws for a period of 6 months.

- An application in FORM GST REG-20 is to be filed for completing registration process, within 6 months. The form contains details similar to that of a new registration application.

- If application not filed in 6 months, provisional registration will be cancelled.
- An exit option will be available to those who have been granted provisional registration but not liable to register. Such persons will apply for cancellation of provisional registration.

Migration of Existing Taxpayers (continued..)

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- Different Migration Process for VAT Dealers, Manufacturers & Service Providers
- Additional Data needs to be collected from taxpayers-
  - Registration is not PAN based
  - Non availability of documents
  - Divergence in data fields
- Mandatory Information required for generating GSTIN-
  - PAN
  - Name of Business Entity
  - Constitution of business
  - Name of State and its Code
  - Principal place of Business
  - Details of Promoters
- Input Service Distributor has to apply for registration.

Migration of Existing Taxpayers

All Existing Taxpayers will be liable to get registered under GST regime

Provisional registration certificate / GSTIN will be automatically granted, which will be valid for 6 months

Final registration on furnishing additional information not captured in existing registration

Provisional registration to be cancelled if additional information not furnished within 6 months

New registration

- PAN, Aadhar based validations to be enabled for faster processing of registration.
- New registration application to be processed within 3 common working (CW) days from date of application, in case of no deficiency. If not processed within 3 CW days, registration will be deemed to be granted.
- In case of any deficiency, same will be communicated within 3 CW days and rectification can be made within 7 CW days.

New registration (contd…)

- Unique Identification Number (UIN) to be issued to certain special entities like UN etc. [u/s 19(6)] to obtain refund of taxes paid.

- Casual taxable persons and non-resident taxable persons to be granted temporary identification number for advance deposit of tax, prior to grant of final registration.

- New registrations to be obtained for ISD, persons required to deduct tax at source u/s 37 (to be prescribed) and collect tax at source u/s 43C (e-commerce operators).

Other key highlights

- Amendment in registration will require approval of officer concerned only in certain cases. Otherwise, amendment made by applicant will be accepted on as is basis.

- All applications, replies to be filed using digital / e-signature of the authorized person of the applicant, or by any other prescribed mode.

- Registration certificate required to be displayed at a prominent location in place of businesses, and GSTIN to be displayed in the name board at the entry of place of businesses.

Other key highlights (contd…)

- Powers to cancel registration suo moto or upon application by registered person available to officer.

- Powers of suo moto registering a person available to the proper officer if such person is found liable to register during any proceeding.

- Physical verification of place of business can be made in cases to be decided by the proper officer.

Emerging issues

- No provision relating to amendment of registration by existing registered persons in the draft rules.
- Option of switching to Composition Scheme for existing registered persons not available in the registration forms.
- Powers of suo moto registration available to officer without any safeguard of allowing the person to be heard.

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