

Registration (Section 25)

- 1.** In any tax system, **registration** is a fundamental requirement as it grants unique identity to the business and facilitates undertaking prescribed compliances. A person who is not registered under the CGST/SGST Act shall not collect any amount by way of tax under CGST/SGST Act in respect of any supply of goods and/or services made by him.

Provisions related to registration are contained in Chapter-VI of the CGST /SGST Act. Also the IGST Act, vide Section 20, borrows the provisions relating to registration as contained in CGST Act.

- 2.** A person may apply for registration under following two scenarios:
 - **Compulsory registration:** Section 22 and Section 24 of the CGST /SGST Act prescribes for the persons who are compulsorily required to obtain registration.
 - **Voluntary registration:** A person who is not compulsorily required for registration, may on his own apply for registration and once he has obtained registration, all the provisions of this Act as are applicable to registered person, shall apply to such person.
- 3.** Every person who is compulsorily required to obtain registration shall apply for registration in ***every State or Union territory from where he makes a taxable supply of goods and/or services within 30 days*** from the date on which he becomes liable for registration (casual taxable person or a non – resident taxable person shall apply at least 5 days prior to commencement of business). Thus, a person is required to obtain separate registration in each State or Union territory even in respect of CGST and IGST Act.
- 4.** Generally, a person is granted a single registration in a State or a Union Territory. However, person having ***multiple business verticals*** in a State or Union territory at their option may apply for separate registration for each such vertical. If separate registration is obtained for the business vertical, then they shall be treated as distinct persons. Business vertical has been defined in Section 2(18) of the CGST Act/ SGST Act as:

“business vertical” means a distinguishable component of an enterprise that is engaged in the supply of individual goods or services or a group of related goods or services which is subject to risks and returns that are different from those of the other business verticals. Explanation.–

–For the purposes of this clause, factors that should be considered in determining whether goods or services are related include—

- (a) the nature of the goods or services;*
- (b) the nature of the production processes;*
- (c) the type or class of customers for the goods or services;*
- (d) the methods used to distribute the goods or supply of services; and*
- (e) the nature of regulatory environment (wherever applicable), including banking, insurance, or public utilities;*

- 5.** In order to be eligible for grant of registration, person shall have Permanent Account Number (PAN) issued under Indian Income Tax Act, 1961. However, there are following *two exception* to this requirement
- i. Non- resident taxable person may be granted registration on the basis of any other document as may be prescribed; and
 - ii. person requiring to deduct tax under Section 51 of CGST/ SGST Act shall have, in lieu of PAN, a Tax Deduction and Collection Account Number issued under the Indian Income Tax Act, 1961
- 6.** Where a person liable to be registered fails to obtain registration, the proper officer, without prejudice to any other actions, can proceed to register such person in the prescribed manner.
- 7.** Following class of persons shall, in place of registration, be granted unique identification number (“UIN”) and such UIN shall be used for the notified purposes, including refund of taxes:
- i. 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
 - ii. any other person or class of persons, as may be notified by the Commissioner
- 8.** Registration or UIN shall be granted or rejected (no rejection without giving opportunity of being heard), as the case may, within the prescribed period. Registration or UIN deemed to have been granted if no deficiency is communicated within the said prescribed period.
- 9.** Any rejection of registration Application/ UIN application under the SGST/ UTGST Act shall be deemed to be a rejection of application for registration/ UIN under the CGST Act. This means that if a registration application is rejected under SGST Act or UTGST Act then it shall deemed to be rejected under CGST Act.
- 10.** The grant of registration or UIN under the SGST/ UTGST Act shall be deemed to be a grant of registration or the Unique Identity Number under the CGST Act provided that the application for registration or the UIN has not been rejected under CGST Act within the time specified in Section 25(10).