

GST 10-point Series

A quick and efficient mode to understand important aspects of the biggest tax reform in India

2016/ Issue 6

01

REGISTRATION

In any tax system, **registration** is a fundamental requirement as it grants unique identity to the business and facilitates undertaking prescribed compliances.

02

Provisions related to registration are contained in Chapter-VI of the Central Goods and Services Tax Act (“CGST Act”)/ State Goods and Services Tax Act (“SGST Act”). Even the Integrated Goods and Services Tax Act (“IGST Act”) vide Section 27 borrows the provisions relating to registration as contained in CGST Act.

03

A person may apply for registration under following two scenarios:

- ☑ **Compulsory registration:** Schedule III of the CGST Act/ SGST Act prescribes for the persons who are necessarily required to obtain registration
- ☑ **voluntary registration:** A person who is not compulsorily required for registration, may on his own apply for registration

04

Every person who is compulsorily required to obtain registration shall apply for registration in **every state where he is so liable within 30 days** from the date on which he becomes liable for registration. Thus a person is required to obtain separate registration for each state even in respect of CGST.

05

Every person, other than Input Service Distributor, who is registered under an earlier law is not required to apply for fresh registration. However the definition of earlier law is left blank in the Act. Thus as of now it is not clear that what all acts would be covered within the ambit of earlier law.

06

Person having **multiple business verticals** in a State may apply for separate registration for each vertical. However it is not clear that whether the separate registration awarded to different verticals would be treated as separate taxable person for the purpose of composition scheme also.

07

Tax payer applied for registration would be allotted 15 digits PAN based Goods and Services Tax Identification Number (“GSTIN”). various digits in GSTIN will denote:

State Code		PAN										Entity code	Blank	Check digit
1	2	3	4	5	6	7	8	9	10	11	12			

08

In case of failure to obtain registration, without prejudice to other actions, there is a liable to pay penalty under section 66 of the Act and the proper officer can proceed to register such person in the prescribed manner.

09

Registration shall be granted or rejected (no rejection without giving opportunity of being heard), as the case may, within the prescribed period. **Deemed registration**, if no deficiency communicated within the said prescribed period.

10

In respect of **casual traders** and **non-resident taxable person** there is a separate procedure for obtaining registration and their registration is only valid for 90 days from the effective date of registration.

ABOUT THIS PUBLICATION

This publication forms part of 10-point series by Athena Law Associates, to help readers quickly understand key provisions of the Model Goods & Services Tax (GST) law proposed to be implemented in India, starting April 2017.

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