



Group Discussion on “Registration and Payment Procedures Under Model GST Law”

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Need of Registration



- Crossing Turnover as specified
- Legally Recognition as supplier/receiver
- Claiming Input tax credit
- Pass on Input tax credit
- Voluntarily

Section-19-Registration

- ❑ Mandatory for person **liable to be registered under Schedule III.**
- ❑ **State wise registration** to be taken.
- ❑ Registration within 30 **days** from the date liable to registration.
- ❑ Already registered under an earlier law – **No need to apply fresh registration** other than Input Service Distributor.
- ❑ May take separate registration for multiple **business verticals** in a State.
 Either separate address or separate business segment
- ❑ A person may take voluntarily registration irrespective of his turnover.
 No SSI Exemption-must have to pay tax if registered-Section-9(I)

Section-19-Registration

- **United Nations organizations and Embassy of foreign country** requires unique identification number (ID) for claiming **refund of taxes** paid by them.



State-wise or single registration?

- After due verification , registration may be granted in the manner as prescribed.
- Approval/Rejection of application under the CGST Act / SGST Act deemed to rejection under SGST Act / CGST Act.
- Notified category of persons exempted from registration on Council recommendation by CG/SG

Section-19-Registration

- Section 2(18) -“**business vertical**” shall have the meaning assigned to a ‘business segment’ in Accounting Standard 17 issued by ICAI;

Business Segment:- A business segment is a **distinguishable component** of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to **risks and returns** that are different from those of other business segments.

Section 2(6)-“**aggregate turnover**” means aggregate value of

-all taxable supplies;

-non-taxable supplies;

-exempted supplies and

-exports of goods and/or services of a person having the same PAN,

to be computed on all India basis and excludes taxes, if any, charged under the CGST Act, SGST Act and the IGST Act, as the case may be;

Schedule-III

- ✓ Supplier liable to take registration **in that State** from where he makes a **taxable supply** of goods and/or services if aggregate turnover exceeds the limit prescribed.
e.g. –Alcoholic Liquor plus water.
- ✓ No registration required if person dealing in non -taxable goods and/or services **ONLY**.
- ✓ After job-work, supply of goods by a registered job worker shall be treated as the supply of goods by the “principal”, and the value of such goods shall not be included in the aggregate turnover of the registered job worker.
- ✓ Person registered or holds a license under an earlier law, shall be liable to be registered subjected to aggregate turnover.

Schedule-III

SCHEDULE III LIABILITY TO BE REGISTERED		
Person liable to Registered (Summery)	With Conditions of aggregate turnover	Without Any Condition of aggregate turnover(Para 5 of Schedule III)
	<ul style="list-style-type: none"> ❖ Every supplier making taxable supply having aggregate turnover exceeding ; -Rs. 4 Lakhs in NE State including sikkim; -Rs. 9 Lakhs in any other State. ❖ Person registered under any earlier law; 	<ul style="list-style-type: none"> ❖ Inter-State Taxable Supply ❖ Causal Taxable Persons-Sec 2(21) ❖ Under reverse charge mechanism ❖ Non-resident taxable persons-Sec 2(69) ❖ Deductor as defined u/s 37 ❖ On behalf of another registered persons such as agent ❖ Input Service Distributors ❖ Through Electronic commerce operator(other than branded services) ❖ Every electronic commerce operator ❖ An aggregator ❖ Persons as notify by CG/SG. ❖ Transferee, in case of succession ❖ Transferee in case of amalgamation, merger etc.

Provision for Casual taxable person and Non-Resident taxable person

Section-2(21)-“**casual taxable person**” means a person who occasionally undertakes transactions involving supply of goods and/or services **in the course or furtherance of business** whether as principal, agent or in any other capacity, in a taxable territory where he has no fixed place of business;

Section-2(69)-“**non-resident taxable person**” means a taxable person who occasionally undertakes transactions involving supply of goods and/or services whether as principal or agent or in any other capacity but who has no fixed place of business **in India**;

- Registration certificate valid for 90 days or further extended period not exceeding 90 days;
- Advance deposit of tax equivalent to estimated tax liability;
- Amount credited in the electronic cash ledger.

Amendment of Registration

- Inform changes to the proper officers(PO) in prescribed manner;
- PO approve or reject the same;
- In prescribed cases, no approval of PO is required-



May be changes in the HSN code or Accounting Service Code.

- Approval/Rejection under CGST/SGST deemed to be approval/rejection under SGST/CGST.

Cancellation of Registration

- PO may cancel registration either on his own motion or on basis of application filed by taxable person or his legal heirs in case of
 - death , amalgamation, demerger, discontinuance of business;
 - change in the constitution of the business;
 - person no longer liable to be register under Schedule-III
- Reasonable opportunity of being heard must be given with show cause notice.

Cancellation of Registration

- PO may cancel registration when any person
 - Contravened any provision of the Act or the rules;
 - Composition dealer not furnish returns for three consecutive tax periods;
 - Other dealers not furnish returns for six consecutive tax periods;
 - Voluntary registered person has not commenced business within 6 months.
- Cancellation under CGST/SGST deemed to be cancellation under SGST/CGST Act.
- Cancelled dealer pay an amount equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or the output tax payable on such goods, whichever is higher, calculated in an prescribed manner.
- In case of capital goods , amount payable shall be equal to the input tax credit taken reduced by percentage points or tax on transaction value , whichever is higher.

Cancellation of Registration

- On stock of Rs. 5,00,000 , person has following input tax credit in his ledgers:

CGST-10,000

SGST-25,000

IGST-40,000

Total Input Credit- 75,000/-

Output tax liability on such : $5,00,000 * 18 \% = 90,000/-$

Person liable to pay an amount of Rs. 90,000/-

Structure of Registration Number

- State wise **PAN-based registration Number**
- Registration number will be **15-digit**
- Known as Goods and Services Taxpayer Identification Number (**GSTIN**).

GSTIN														
State		PAN										Entity Code	Blank	Check Digit
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

- ❖ 1-2 digit would be state code as defined under the Indian Census 2011.
- ❖ Next 10 digit would be PAN number of the registrant
- ❖ 13th digit would be alpha-numeric (1-9 and then A-Z) represent 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.
- ❖ 15th digit is check digit enable department to verify the GSTIN as entered by person.

Procedure for obtaining registration

Submit online application through GST Common Portal;



Seeking confirmation through message on e-mail and SMS to the authorized signatory of the applicant



After confirmation, acknowledgement number would be generated and intimated to the applicant.



Once the application is approved and GSTIN is generated, the same along with Log-in ID and temporary password will be sent to the authorized signatory.



Procedure for obtaining registration

- Scanned copy of all documents to be filed along with application
- PAN number compulsory.
- Preliminary verification / validation by GST common portal (i.e. PAN validation with CBDT portal, Adhaar No with UDAI.)
- Option to digitally sign application. If no digitally signed then send signed hard copy within 30 days to central processing center at location intimated with acknowledgement number.
- Application processed without receipt of the signed copy. After reminder through SMS or E-mail, If copy is not received within 30 days, the system I prompt the concerned tax authority to initiate the action for cancellation of the registration.

Procedure for obtaining registration

- Approval of application within 3 common working days

- If query raised, Resolution within 7 common working days.



- Meaning of common working days?

- Time period for reply of query?

- Rejection of the registration application by one authority amounts to rejection by both Centre and State.**

- Information through SMS or E-mail for approval or rejection.

- If any discrepancy found in application, GSTN portal flagged it as a “Risk Case”, **warranting a post registration visit for verification.**

Documents Required

S.No	Particulars	Documents to be uploaded
1	Constitution of Business	-Relevant documents which are not captured through PAN and online validation.
2	Details of the Principal Place of business	<u>Own premises-</u> Ownership Documents <u>Rented or Leased premises</u> Rent / Lease Agreement with ownership documents
3	Details of Bank Account (s)	Complete details.i.e cancel cheque
4	Details of Authorised Signatory	Letter of Authorisation or copy of Resolution
5	Photograph	For Authorised person

Tax Return Preparer & Facilitation Centre

TAX RETURN PREPARER

- Prepare the said registration document / return in prescribed format on the basis of the information furnished to him by the taxable person.
- Legal responsibility of the correctness rest with the taxable person only.
- TRP shall not be liable for any errors or incorrect information.

Facilitation Centre (FC)

- Digitization and / or uploading of the forms and documents.
- A print-out of acknowledgement will be taken and signed by the FC will be handed over to the taxable person .
- This system is in line with the practice that is in vogue for submitting TDS returns by tax deductors to the Income Tax Department

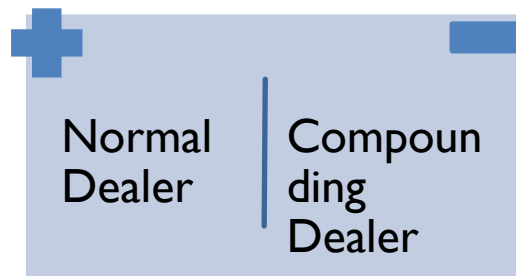
Registration for Composition Dealer

Switching from Normal Dealer to Composition Dealer



Only from the beginning of Financial Year

Switching from Composition Dealer to Normal Dealer



During the year also with a condition not to switch again under composition scheme in same FY.

Registration for Composition Dealer

- Automatic switched over to the Normal scheme from the day of crossing the Compounding threshold.
- Indication in registration form required for opting Compounding scheme and GST Common Portal would internally flag it as a Compounding dealer.
- When opts out , flag will be removed
- One common Registration for one legal entity in terms of the GSTIN discussed supra.

Migration of existing Tax Payers to GST

PRE GST

Existing taxpayer – i.e. registered under any of earlier laws



POST GST

- If liable to be registered under Schedule III of the Act – Compulsorily registration
- If not – Can apply voluntarily
- Having multiple business verticals in a State - Option to obtain separate registration
- Mandatory to have Permanent Account Number (PAN) or documents as prescribed

Migration of existing Tax Payers to GST

- “Provisional Certificate of Registration” granted irrespective of liability to be registered under Schedule III .
- Time period for Six months’ or as extended time to submit requisite documents as may be prescribed



- Final registration by CG/SG subject to the following :
 1. Requisite information submitted within the time period allowed
 2. Final registration is in line with provisions specified under Section 19 of the Act



- If filed for cancellation -“Provisional Certificate of Registration” deemed not have been issued



Payment Procedure

Types of Ledgers

The Electronic Cash Ledger, Electronic Credit Ledger and Tax Liability Register are unique features of the model GST law.

- Cash Ledger in electronic form which includes an **deposit** towards tax, interest, penalty, fees or any other amount

Electronic Cash
Ledger-2(40)

- Input Tax Credit Ledger in electronic form which includes input tax credit as self-assessed in the return.

Electronic
Credit Ledger-
2(41)

- All liabilities of a taxable person under this Act shall be recorded and maintained in it

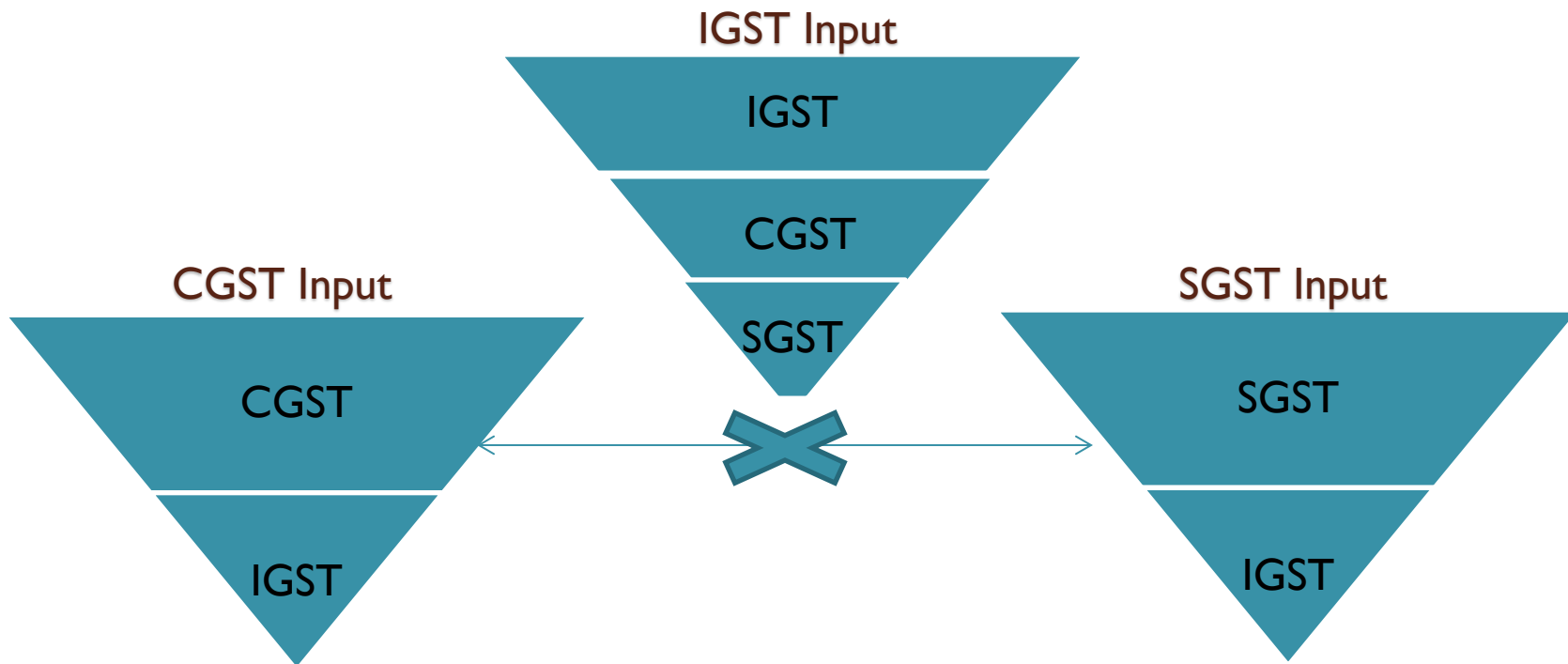
TAX LIABILITY
LEDGER

Date of credit to Government A/c = Date of deposit

Utilization of Amount

- Amount available in different ledger may be used for making any payment towards

Cash Ledger	Credit Ledger
Tax	Tax
Interest	
Penalty	
Fees	
Any other amount	



Electronic Cash Ledger

- Ledger in Electronic form for every registered taxable person at GSTN portal.
- Amount deposited shall be tax, interest, penalty, fee or any other amount by following mode:-
 - ☐ Internet Banking
 - ☐ Credit /Debit cards
 - ☐ National Electronic Fund Transfer
 - ☐ Real Time Gross Settlement
 - ☐ Any Other Mode as may be prescribed
- Date of credit to the account of the appropriate Government shall be deemed to be date of deposit.
- Amount available may be used for tax, interest, penalty, fees or any other amount payable under the provisions of the Act or the rules.

Electronic Cash Ledger

Tax Liability						
	Tax	Interest	Penalty	Fees	Others	Total
Government of India						
CGST						
IGST						
Additio nal Tax						
Government of <State>						
SGST						
					Total Amount	

Electronic Credit Ledger

- Ledger in Electronic form for every registered taxable person at GSTN portal.
- Self-assessed Input Tax Credit as per return filed by a taxable person shall be credited to its **Electronic Credit Ledger.i.e.**
 - ☐ ITC on inward supplies from registered tax payers
 - ☐ ITC available based on distribution from input services distributor (ISD).
 - ☐ ITC on Input of Stock held/ semi-finished goods or finished goods
- Major heads in electronic credit ledger.

Input Tax	Output Tax
IGST	IGST CGST SGST
CGST	CGST IGST
SGST	SGST IGST

Order of discharge of tax

- ❖ First, Self-assessed tax and other dues for **previous tax periods**
- ❖ Self-assessed tax and other dues of the **current tax period**.
- ❖ Any other amount payable under the Act/Rules (liability arising out of demand notice or adjudicated proceedings etc).

Wrong payment of taxes

Sectoin-53

- Pay CGST/SGST on transaction assuming intra-State Supply;
- Subsequently found it to be inter state supply liable to IGST.
- Then person have to pay IGST shall be allowed to claim refund of the CGST/SGST so paid
- Subject to provisions of unjust enrichment or conditions prescribed.

Forms prescribed



Application for
registration under G



Composition
Scheme



Amendment
Form



Opt out
Composition Scheme



Surrender of
Registration

Challan Format



Challan Format



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