

GST Presentation

Registration Provisions – Section 19

30 minutes

Registration Provisions

- ▶ Topics Covered in the presentation–
 - Who Is Liable To Register And When
 - Advantages Of Registration
 - Process Of Registration
 - Threshold Limits
 - Registration Across States And Segments Per AS17
 - Rejection And Cancellation
 - Structure Of Registration Number
 - Media Coverage On Registration
 - Basics of GST – refresh capsule

Who Is Liable To Register And When

- ▶ Every person liable to register per schedule III
- ▶ With in 30 days from the due date
- ▶ Person hitting the defined thresholds
- ▶ Doing Inter state taxable supply
- ▶ Casual taxable person
- ▶ Who is liable to pay tax under reverse charge
- ▶ Non resident taxable persons
- ▶ Ecommerce/aggregators
- ▶ Input service distributors

Who Is Liable To Register And When ... continued

- ▶ PAN is must
- ▶ For non residents – any other prescribed document
- ▶ Deeming provision – if no objection is received by applicant within prescribed period
- ▶ Default registration by authorities if person fails to obtain registration
- ▶ Separate registration for each vertical per AS17
- ▶ Separate registration per state
- ▶ Voluntary registration allowed
- ▶ New Registration in case of merger/demergers from effective date of new scheme

Advantages Of Registration

- ▶ Legal recognition
- ▶ Proper accounting of taxes and credits
- ▶ Fuller credit set off
- ▶ Funding / loan prospects improve

Process Of Registration

- ▶ Through Integrated GST Common Portal
- ▶ Fill form Online – confirmation on email/sms – acknowledgement number generated
- ▶ Post approval, GSTIN generated
- ▶ Online verification of PAN
- ▶ Authorised Tax Return Preparers for those not very IT savvy
- ▶ Facilitation centres helping filling forms, uploading documents, prints etc.
- ▶ Application form from GST portal to centre/states, who in turn send to jurisdictions and then registration is granted

Threshold Limits

- ▶ Aggregate Turnover per financial year > Rs 9 lacs
- ▶ Rs 4 lacs for Neast and Sikkim
- ▶ Turnover shall include all supplies made including those by principals
- ▶ Turnover includes Job work

Registration Across States And Segments

- ▶ Separate registration per state depending on turnover criterion
- ▶ If multiple verticals operate in one state – then separate registrations are must
- ▶ Input credits from one vertical to other only if actual movement of goods/services happens
- ▶ For Dues recovery purposes, all verticals may be considered as one legal entity

Rejection And Cancellation

- ▶ Rejection only after –
 - Serving show cause
 - Providing opportunity of being heard
 - Follow principles of natural justice
 - Rejection under CGST shall be deemed as rejection under SGST and Vice versa
- ▶ Cancellation if –
 - Business discontinued/transferred
 - Change in constitution of business
 - Registration is not required under schedule III
 - Cancellation shall not affect the liability of the person even if demand was served post cancellation
 - Input credit due on stock has to be deposited; in case of capital goods pro rated input credit shall be deposited as per prescribed percentages

Structure Of Registration Number

- ▶ 15 Digit Unique Identification number
- ▶ First 2 digits – denote State
- ▶ Next 10 digits are PAN number
- ▶ 13th digit is Alpha numeric – signifies number of verticals with in same entity and state
- ▶ 14th Digit is blank
- ▶ 15th digit is Check Digit

Media Coverage

- ▶ President gave assent to the GST constitutional amendment bill
- ▶ Formation of GST council notified
- ▶ GST Council – key task is to decide on GST rate – some states pitching for 20%+
- ▶ Centre assured states to keep them revenue neutral for next 5 years
- ▶ Banks/NBFCs might get some relaxation from multiple registrations and may get centralised audit regime

Media Coverage ... continued

- ▶ Different thresholds for different states
- ▶ Since GST tax rate will be much higher than current service tax rate – govt might cushion this
- ▶ Petroleum products might enter GST net
- ▶ Planned roll out 1 April 2017 – Big Day

Basics ...

- ▶ Destination based indirect tax
- ▶ Applies to value added across value chain
- ▶ Replaces most of existing indirect tax
- ▶ Applicable to all taxable supplies (goods, services) – except exemptions, exclusions and those below thresholds
- ▶ Exclusions – Petroleum products, Electricity, Alcohol for human consumption, Real estate
- ▶ 3 rates – for luxury items, Standard items and essential items

Thank You