

# Legal Compliance Workshop

(GST, FCRA & Income Tax)

## Registration under GST 2017

Presented by

CA Deepak Bansal



# Why to register in GST?

- ❖ To get **legally recognised** as a supplier of goods and/or services.
- ❖ **Utilisation of input taxes** for payment of GST due on supply of goods and/or services or both.
- ❖ **Pass on the credit of the taxes** paid on the goods and/or services supplied to purchasers or recipients.

# Salient features of registration process

- PAN based registration (except for non-resident taxable person)
- Unified application to both the centre and state tax authorities.
- Deemed approval within three days.
- Single registration in one state (except for multiple business verticals in the same state)
- Online registration process. No hard copies of the documents to be submitted.
- There is no concept of centralised registration under GST Act.

# Coverage (Sec 22-30)

- Persons liable for registration (Sec 22)
- Persons not liable for registration (Sec 23)
- Compulsory registration in certain cases (Sec 24)
- Procedure for registration (Sec 25)
- Deemed registration (Sec 26)
- Special provisions relating to casual taxable person and non-resident taxable person (Sec 27)
- Amendment of registration (Sec 28)
- Cancellation of registration (Sec 29)
- Revocation of cancellation of registration (Sec 30)

# Important Definitions

## **Taxable person [Section 2(107)]**

Means a person who is registered or liable to be registered under section 22 or section 24.

## **Registered person [Section 2(94)]**

Means a person who is registered u/s 25 but does not include a person having a Unique Identify Number.

## **Business Vertical [Section 2(18)]**

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 other business verticals.

## **Casual taxable person [Section 2(20)]**

## **Non-resident taxable person [Section 2(77)]**

# Number of registrations

- Registrations under GST will be granted state wise. Single registration will be granted in a State/UT.
- However, separate registration for multiple business verticals within a State/UT may be granted at the option of the supplier subject to the following conditions:-
  - All the business verticals should opt for either composition or normal scheme of taxation.
  - All separately registered business verticals shall pay tax on supply made to another registered business vertical and issue a tax invoice for such supply. It means now interstate branch transfers hence forth shall be taxable under GST which was not the case in present regime.

**Note: Inter-utilisation of credit shall not be allowed as it will be violative of GST spirit**

# Aggregate turnover

Aggregate turnover means the aggregate value of following supplies to be computed on all India basis excluding central/state/UT taxes and cess:

- Taxable supplies(excluding supplies on which GST is paid under RCM by the supplier)
- Exempt supplies(Nil rated supply + wholly exempt supply + Non taxable supply)
- Export supplies
- Interstate supplies of persons having same PAN(Inter branch supplies)

# Persons liable for registration

- Every person who, on the day immediately preceding the appointed day(date on which the provision of GST Act will come into force), is registered under an existing law – MIGRATION
- Persons not liable for registration(Sec 23)
  - Person engaged exclusively in the business of supplying goods/services that are not liable to tax or wholly exempt.
  - An agriculturist to the extent of supply of produce out of cultivation of land.
  - Specific category of persons as the government may notify.



# Registration threshold:

Present	Under GST
Under service tax: - Rs.10lacs	Each state / UT: - Rs. 20lacs
Under VAT: - Rs.10lacs/ 5lacs	Each state / UT: Rs. 20lacs
Under Excise: - Rs.1.5crs	Each state / UT: Rs. 20lacs

This limit of Rs.20lacs becomes Rs.10lacs in case of special category states in North Eastern part of India.

## **Points to be noted:**

Any service provider now shall obtain registration only if each state exceeds Rs.20lacs.

# Advance rulings under GST act2017

- **Advance Ruling** means written opinion or authoritative decision by an Authority empowered to render it with regard to the **tax** consequences of a transaction or proposed transaction or an assessment in regard thereto.
- Advance ruling available to every person for getting responses in relation to in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant
- Applicant can be any person registered or desirous of obtaining registration under this Act

## Advance rulings under GST act2017.....contd.

- Following areas are available for advance rulings:
  - a) classification of any goods or services or both;
  - b) applicability of a notification issued under the provisions of this Act;
  - c) determination of time and value of supply of goods or services or both;
  - d) admissibility of input tax credit of tax paid or deemed to have been paid;
  - e) determination of the liability to pay tax on any goods or services or both;
  - f) whether applicant is required to be registered;
  - g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.
- AAR order binding only on the applicant and concerned officer or the jurisdictional officer in respect of the applicant