

# CANCELLATION OF REGISTRATION PROCESS UNDER GST

## Cancellation Circumstances

<b>Voluntary cancellation by registered person</b>	<p>Where the registered person no more requires the registration.</p> <p><b>For example</b>, in case of death of registered person, the legal heirs can apply for cancellation.</p>
<b>Suo-motu cancellation by the Department</b>	<p>Where the Proper Officer considers the registration of a person liable for cancellation in view of certain defaults.</p> <p><b>For example</b>, when the registrant is not doing business from the registered place of business or if he issues tax invoice without making the supply of goods or services.</p>
<b>Cancellation by the registered person on its own or by the Department</b>	<ol style="list-style-type: none"> <li>1. Business discontinued</li> <li>2. Transferred fully for any reason including death of the proprietor</li> <li>3. Amalgamated with other legal entity</li> <li>4. Demerged or</li> <li>5. Otherwise disposed of</li> <li>6. Change in the constitution of the business</li> <li>7. Taxable person who is no longer liable to be registered</li> <li>8. Taxable person who intends to optout of the voluntary registration.</li> </ol>
<b>Circumstances when the proper officer can cancel registration on his own</b>	<ol style="list-style-type: none"> <li>1. A registered person has contravened the prescribed provisions.</li> <li>2. Registration was obtained by means of fraud, wilful misstatement or suppression of facts.</li> <li>3. A registered person has not filed returns for continuous 6 months. However, 3 consecutive tax periods in case of a person who opted for composition levy.</li> </ol>

	4. Voluntarily registered person has not commenced the business within 6 months from the date of registration.
<b>Prescribed contraventions which make a registered person liable to cancellation of registration</b>	<p>(a) does not conduct any business from the declared place of business, or</p> <p>(b) issues invoice/bill without supply of goods/services</p> <p>(c) violates the provisions relating to anti-profiteering measure</p> <p>(d) violates the provision of furnishing bank account.</p> <p>(e) avails input tax credit in violation of ITC provisions</p> <p>(f) furnishes the wrong details of outward supplies</p> <p>(g) violates the provision of rule 86B22 which has imposed 99% restricted on ITC available in electronic credit ledger of Registered Person.</p>

### Suspension of registration

**The period and manner of suspension of registration is as follows:**

<b>Where registered person has applied for cancellation of registration:</b>	<p>Where a registered person has applied for cancellation of registration, the registration shall be deemed to be suspended from:</p> <p>(a) the date of submission of the application or</p> <p>(b) the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration.</p>
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<p><b>Where cancellation of the registration has been initiated by the Department on its own motion:</b></p>	<p>Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled, he may suspend the registration of such person with effect from a date to be determined by him, pending the completion of the proceedings for cancellation of registration.</p>
<p><b>What after suspension</b></p>	<p>A registered person, whose registration has been suspended as above:</p> <ul style="list-style-type: none"> <li>• shall not make any taxable supply during the period of suspension and</li> <li>• shall not be required to furnish any return under section 39.</li> </ul>
<p><b>Revocation of Suspension</b></p>	<p>The suspension of registration shall be deemed to be revoked upon completion of the cancellation proceedings by the proper officer. Such revocation shall be effective from the date on which the suspension had come into effect.</p>

**PROCESS OF GST CANCELLATION**

<p><b>Voluntary Cancellation</b></p>	<p>A registered person seeking cancellation of registration shall electronically submit the application for cancellation of registration in prescribed form within 30 days of occurrence of the event warranting cancellation.</p> <p>He is required to furnish in the application the details of inputs held in stock or inputs contained in semi-finished/finished goods held in stock and of capital goods held in stock on the date from which cancellation of registration is sought, liability thereon, details of the payment, if any, made against such liability and may furnish relevant documents thereof.</p> <p>Where a person who has submitted an application for</p>
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	<p>cancellation of his registration is no longer liable to be registered, proper officer shall issue the order of cancellation of registration within 30 days from the date of submission of application for cancellation.</p>
<p><b>Suo-motu cancellation by the Department</b></p>	<p>Where the proper officer cancels the registration suo-motu, he shall not cancel the same without giving a show cause notice and without giving a reasonable opportunity of being heard, to the registered person. The reply to such show cause notice (SCN) must be submitted within 7 days of service of notice.</p> <p>If reply to SCN is satisfactory, proper officer shall drop the proceedings and pass an order in prescribed form. However, where the person instead of replying to the SCN served for failure to furnish returns for a continuous period of 6 months (3 months in case of composition scheme supplier) furnishes all the pending returns and makes full payment of the tax dues along with applicable interest and late fee, the proper officer shall drop the proceedings and pass an order.</p> <p>Where registration of a person is liable to be cancelled, proper officer shall issue the order of cancellation of registration within 30 days from the date of reply to SCN.</p>

**Revocation of cancellation of registration**

<p><b>Apply in 30 Days</b></p>	<p>Where the registration of a person is cancelled suo-motu by the proper officer, such registered person may apply for revocation of the cancellation to such proper officer, within 30 days from the date of service of the order of cancellation of registration.</p> <p>Said period of 30 days may, on sufficient cause being shown and for reasons to be recorded in writing, be extended for a period not exceeding 30 days by Additional/Joint Commissioner and by further period not exceeding 30 days by Commissioner.</p>
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<b>Revocation Approval</b>	If the proper officer is satisfied that there are sufficient grounds for revocation of cancellation, he may revoke the cancellation of registration, by an order within 30 days of receipt of application and communicate the same to applicant.
<b>Revocation Rejection</b>	<p>Otherwise, he may reject the revocation application.</p> <p>However, before rejecting the application, he must first issue SCN to the applicant who shall furnish the clarification within 7 working days of service of SCN.</p> <p>The proper officer shall dispose the application (accept/reject the same) within 30 days of receipt of clarification.</p>
<b>Filing of returns</b>	<p>Where registration was cancelled for failure of registered person to furnish returns, before applying for revocation, the person has to make good the defaults, i.e. the person needs to file such returns and pay any amount due as tax along with any amount payable towards interest, penalty and late fee in respect of the said returns.</p> <p>Since the portal does not allow to furnish returns for the period after the date of cancellation of registration, all returns due for the period from the date of order of cancellation till the date of order of revocation of cancellation of registration have to be furnished within a period of 30 days from the date of the order of revocation.</p>
<b>Revocation for UIN Holders</b>	UIN Holders (i.e. UN Bodies, Embassies and Other Notified Persons), GST Practitioner cannot apply for revocation of cancelled registration. In case the registration is cancelled on the request of the taxpayer or his legal heir, one cannot apply for revocation of cancelled registration.

**FORMS RELATED TO REGISTRATION**

<b>REG-16</b>	Application for Cancellation of Registration
<b>REG-17</b>	Show Cause Notice for Cancellation of Registration
<b>REG-18</b>	Reply to the Show Cause Notice issued for cancellation for registration
<b>REG-19</b>	Order for Cancellation of Registration
<b>REG-20</b>	Order for dropping the proceedings for cancellation of registration
<b>REG-21</b>	Application for Revocation of Cancellation of Registration
<b>REG-22</b>	Order for revocation of cancellation of registration
<b>REG-23</b>	Show Cause Notice for rejection of application for revocation of cancellation of registration
<b>REG-24</b>	Reply to the notice for rejection of application for revocation of cancellation of registration