

(i) The cancellation of registration shall not affect the liability of the person to pay tax and other dues or to discharge any obligations under GST Act or Rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.

Final Return:

When the registration of a registered person other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the composition scheme or TDS/TCS has been cancelled, the person has to file a final return within three months of the date of cancellation or date of order of cancellation, whichever is later, electronically in **FORM GSTR-10** through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

Revocation of Cancellation of Registration:

(a) When the registration has been cancelled by the proper officer on his own motion and not on the basis of an application by the registered person, then the registered person, whose registration has been cancelled, can submit an application for revocation of cancellation of registration, in **FORM GST REG-21**, to the Proper Officer, within a period of thirty days from the date of the service of the order of cancellation of registration at the common portal, either directly or through a Facilitation Centre notified by the Commissioner. The period of 30 days can be extended by:

- by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;
- by the Commissioner, for a further period not exceeding thirty days, beyond the period specified above.

(b) However, if the registration has been cancelled for failure to furnish returns, application for revocation shall be filed, only after such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns.

(c) On examination of the application if the Proper Officer is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, then he shall revoke the cancellation of registration by an order in **FORM GST REG-22** within a period of thirty days from the date of the receipt of the application and communicate the same to the applicant.

(d) However, if on examination of the application for revocation, if the Proper Officer is not satisfied then he will issue a notice in **FORM GST REG-23** requiring the applicant to show cause as to why the application submitted for revocation should not be rejected and the applicant has to furnish the reply within a period of seven working days from the date of the service of the notice in **FORM GST REG-24**.

(e) Upon receipt of the information or clarification in **FORM GST REG-24**, the Proper Officer shall dispose of the application within a period of 30 days from the date of the receipt of such information or clarification from the applicant. In case the information or clarification provided is satisfactory, the Proper Officer shall dispose the application as per para (c) above. In case it is not satisfactory the applicant will be mandatorily given an opportunity of being heard, after which the Proper Officer after recording the reasons in writing may by an order in **FORM GST REG-05**, reject the application for revocation of cancellation of registration and communicate the same to the applicant.

(f) The revocation of cancellation of registration under the SGST Act or the UTGST Act, as the case may be, shall be deemed to be a revocation of cancellation of registration under CGST Act and vice versa.

(g) All returns due for the period from the date of the order of cancellation of registration till the date of the order of revocation of cancellation of registration shall be furnished by the said person within a period of thirty days from the date of order of revocation of cancellation of registration.

(h) Where the registration has been cancelled with retrospective effect, the registered person shall furnish all returns relating to period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration within a period of thirty days from the date of order of revocation of cancellation of registration.

(i) Where the registration has been suspended under sub-Rule 21A(2A) for contravention of the provisions contained in clause (b) or clause (c) of sub-Section (2) of Section 29 and the registration has not already been cancelled under Section 29 by the proper officer, the suspension of registration shall be deemed to be revoked upon furnishing of all the pending returns.

(j) The cancellation of registration shall not affect the liability of the person to pay tax and other dues or to discharge any obligations under GST Act or rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.



कुंजी, देश के सर्वांगीण विकास की

Please scan for download



Published by:

Directorate General of Taxpayer Services,
C.R. Building, New Delhi-110109

Follow us on:



@cbic_india



@cbicindia



@cbic



@cbicindia



@CBIC INDIA

GST

GOODS AND SERVICES TAX

Cancellation, Suspension and Revocation of cancellation of Registration

(Updated as on November 2022)



Directorate General of Taxpayer Services
CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS
www.cbic.gov.in

Cancellation, Suspension and Revocation of Registration in GST

Introduction:

The registration granted under GST can be cancelled for specified reasons. The cancellation can either be initiated by the department at its own motion or the registered person can apply for cancellation of their registration. In case of death of registered person, in case of proprietorship concern, the legal heirs can apply for cancellation. During pendency of the proceedings relating to cancellation of registration, the registration may be suspended for such period and in such manner as may be prescribed. In case the registration has been cancelled by the department there is a provision for revocation of the cancellation at the request of the taxpayer. On cancellation of the registration the person has to file a return which is called the final return. The final return has to be filed within three months of cancellation of GST registration.

Reason for cancellation:

The registration can be cancelled for the following reasons:

- (a) a person registered under any of the existing laws, but who is not liable to be registered under the GST Act;
- (b) the business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of;
- (c) there is any change in the constitution of the business;
- (d) the taxable person is no longer liable to be registered or intends to opt out of the voluntary registration;
- (e) a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed, such as:
 - does not conduct any business from the declared place of business; or
 - issues invoice or bill without supply of goods or services or both in violation of the provisions of this Act, or the rules made thereunder; or
 - violates the provisions of Section 171 of the Act or the Rules made thereunder; or
 - violates the provision of Rule 10A; or

- avails input tax credit in violation of the provisions of Section 16 of the Act or the Rules made thereunder; or
- furnishes the details of outward supplies in **FORM GSTR-1** under Section 37 for one or more tax periods which is in excess of the outward supplies declared by him in his valid return i.e. **FORM GSTR-3B** under Section 39 for the said tax periods; or
- violates the provision of Rule 86B; or
- a person paying tax under Composition Levy has not furnished returns for three consecutive tax periods; or
- any registered person, other than a person paying tax under Composition Levy, has not furnished returns for a continuous period of six months; or
- any person who has taken voluntary registration under sub-Section (3) of Section 25 has not commenced business within six months from the date of registration; or
- registration has been obtained by means of fraud, willful misstatement or suppression of facts.

Suspension of registration:

- (a) Where a registered person has applied for cancellation of registration, the registration shall be deemed to be suspended from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration.
- (b) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under Section 29, 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.
- (c) Where, a comparison of the returns furnished by a registered person with the details of outward supplies furnished in **FORM GSTR-1** or the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their **FORM GSTR-1**, or such other analysis, as may be carried out on the recommendations of the Council, show that there are significant differences or anomalies indicating contravention of the provisions of the Act or the Rules made thereunder, leading to cancellation of registration of the said person, his registration shall be suspended and the said person shall be intimated in

FORM GST REG-31, electronically, on the common portal, or by sending a communication to his e-mail address, highlighting the said differences and anomalies and asking him to explain, within a period of thirty days, as to why his registration shall not be cancelled.

- (d) A registered person, whose registration has been suspended shall not make any taxable supply (i.e. not issue a tax invoice and, accordingly, not charge tax on supplies made by him) during the period of suspension and shall not be required to furnish any return under Section 39.
- (e) A registered person, whose registration has been suspended shall not be granted any refund during the period of suspension of his registration.
- (f) The suspension of registration shall be deemed to be revoked upon completion of the proceedings for cancellation of registration by the proper officer and such revocation shall be effective from the date on which the suspension had come into effect. However, the suspension of registration may be revoked by the proper officer, anytime during the pendency of the proceedings for cancellation, if he deems fit.
- (g) Where any order having the effect of revocation of suspension of registration has been passed, the registered person has to issue a revised invoice within one month in respect of the supplies made during the period of suspension, and declare the same in the first return furnished by him after revocation of suspension of registration.

Procedure for cancellation:

- (a) A person desirous of cancellation of GST registration under the GST Act has to submit an application electronically in **FORM GST REG-16** on the common portal within a period of 30 days of the occurrence of the event warranting the cancellation. In such cases, the registration is deemed to be suspended from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration. The proper officer shall, after conducting such enquiry as deemed fit, cancel the said registration.
- (b) The cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a cancellation of registration under Central Goods and Services Tax Act and vice versa.

- (c) In the event, the proper officer has reasons to believe that the registration of a person is liable to be cancelled, a notice to such person in **FORM GST REG-17**, requiring him to show cause, within a period of seven working days from the date of the service of such notice, as to why his registration shall not be cancelled will be issued.
- (d) The reply to the show cause notice issued has to be furnished by the registered person in **FORM REG-18** within a period of seven working days.
- (e) In case the reply to the show cause notice is found to be satisfactory, the proper officer will drop the proceedings and pass an order in **FORM GST REG -20**. Where the person instead of replying to the notice for contravention of the provisions contained in clause (b) or clause (c) of sub-Section (2) of Section 29, 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 in **FORM GST-REG 20**.
- (f) However, when the person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer will issue an order in **FORM GST REG-19**, within a period of thirty days from the date of application or, as the case may be, the date of the reply to the show cause issued, cancel the registration, with effect from a date to be determined by him and notify the taxable person, directing him to pay arrears of any tax, interest or penalty.
- (g) The registered person whose registration has been cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, 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 capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher.
- (h) In case of capital goods or plant and machinery, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under Section 15, whichever is higher.