



The Institute of Chartered Accountants of India

GST & Indirect Taxes Committee

GOODS & SERVICES TAX UPDATE-181

Guidelines for processing of applications for registration

In order to strengthen the process of verification of applications for registration at the end of tax officers, following guidelines have been issued in a uniform manner:

- a) The proper officer shall initiate process of scrutiny on receipt of the application for registration in FORM GST REG-01 along with the documents uploaded by the applicant. He shall scrutinize the documents uploaded by the applicant such as documents for constitution of business, address of principal place of business etc. to ensure whether the documents are legible, complete and relevant. The details and information furnished in the application should be examined to check the completeness, to correlate and cross-verify the same with the uploaded documents and to check the authenticity of the applicant. The authenticity of documents furnished as proof of address may be cross verified from the publicly available sources, such as websites of concerned authorities such as land registry, electricity distribution companies, municipalities, and local bodies, etc.
- b) The proper officer shall check and take into consideration the risk rating made available by the DGARM while verifying and processing the applications. Special attention to be paid to the cases where “High” risk rating has been assigned.
- c) The proper officer may check the status of PAN as well as compliance record of such GSTINs where the registration has been obtained on the same PAN earlier. The proper officer may also give due consideration and special attention to the cases involving cancellation, suspension or rejection of any of the registrations obtained on the PAN of the applicant, risky place of business basis local risk parameters, *prima facie* suspicious/doubtful proof of place of business basis scrutiny of application and documents.
- d) The proper officer shall issue a notice to the applicant electronically in FORM GST REG-03 within the prescribed time limit if the application is found to be deficient or where clarification is required. The proper officer may seek clarification or information or document in following cases:
 - (i) where any document is incomplete or not legible
 - (ii) where the address of place of business does not match with the document uploaded by the applicant, or where such uploaded document does not appear to be a valid proof of the address of the said place of business
 - (iii) where the address of place of business is incomplete or vague, complete and unambiguous details of the address along with the corresponding documentary proof may be sought.
 - (iv) where any GSTIN linked to the PAN of the applicant is found cancelled or suspended,

reasons for the same may be sought.

- e) The proper officer shall examine the clarification filed by the applicant in FORM GST REG-04 in response to notice issued in FORM GST REG-03. Where proper officer is satisfied with the reply furnished, he may approve the grant of registration to the applicant within the prescribed limit. However, where the proper officer is not satisfied with the reply furnished or the reply is not furnished by the applicant, he may for reasons to be recorded in writing, reject such application and inform the applicant in FORM GST REG-05.
- f) The proper officer shall immediately initiate the process for physical verification of business where the applicant has either failed or not opted to undergo Aadhar number authentication. The concerned officer must ensure that the physical verification report along with other documents, including photographs, is uploaded on the system in FORM GST REG-30 within the prescribed time limit.
- g) Where the applicant has undergone Aadhar authentication, if the proper officer is of the opinion that physical verification of place of business is essential to check the authenticity, he may get such physical verification conducted in the time bound manner. Till the time the functionality for marking the application for physical verification in Aadhar authenticated cases is made available on portal/ACES-GST application, the CPC officer, wherever considered essential, get physical verification of the place of business conducted through jurisdictional officers of the concerned Division/Commissionerate.
- h) It will be ensured by the proper officer that no application for grant of registration is approved on deemed basis for want of timely action on part of tax officers. Strict view may be taken where any gross negligence is observed on part of concerned officer.
- i) Where registration is granted on deemed approval basis or where registration is granted in cases covered under para (c) above or in cases of “High Risk”, and physical verification of the place of business was not conducted before grant of such registration, the CPC officer shall communicate the details to the concerned jurisdictional Commissionerate immediately after registration and physical verification of the place of business shall be got conducted by the concerned Commissionerate within 15 days of such registration. Besides, the concerned Commissionerate may get such physical verification of the place of business got conducted in other cases also, wherever required based on risk parameters and risk ratings. Wherever the registered person is found to be non-existent or fictitious, subsequent remedial action(s) may be taken without any delay.
- j) The Principal Chief Commissioner/ Chief Commissioner of the CGST Zones may closely supervise the status of processing of the applications of registration, including physical verifications, within their zones. Wherever it is noticed that the application for registration has been granted deemed approval, the reasons for the same may be got examined by the Principal Chief Commissioner/ Chief Commissioner for taking subsequent remedial action, if any, in a time bound manner.

The detailed instruction can be accessed at the following link:

[Instruction No.03/2023-GST dt. 14.06.2023](#)

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