# Cancellation of Registration in GST

**Introduction:**

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The registration granted under GST can be cancelled for specified reasons. The cancellation can either be initiated by the department on their own motion or the registered person can apply for cancellation of their registration. In case of death of registered person, the legal heirs can apply for cancellation. In case the registration has been cancelled by the department there is a provision for revocation of the cancellation. On cancellation of the registration the person has to file a return which is called the final return.

**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;

a) 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;

a) there is any change in the constitution of the business;

a) the taxable person (other than the person who has voluntarily taken registration under sub-section (3) of section 25 of the CGST Act, 2017) is no longer liable to be registered;

a) a registered person has contravened such provisions of the Act or the rules made thereunder;

a) a person paying tax under Composition levy has not furnished returns for three consecutive tax periods;

a) any registered person, other than a person paying tax under Composition levy has not furnished returns for a continuous period of six months;

a) 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;

a) registration has been obtained by means of fraud, willful misstatement or suppression of facts

**Procedurefor cancellation:**

1. A person already registered under any of the existing laws (Central excise, Service tax, VAT etc.), but who now is not liable to be registered under the GST Act has to submit an application electronically by 31ST December 2017, in FORM GST REG-29 at the common portal for the cancellation of registration granted to him. The Superintendent of Central Tax

shall, after conducting such enquiry as deemed fit, cancel the said registration.

1. 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.
2. In the event, the Superintendent of Central Tax 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.
3. 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.
4. In case the reply to the show cause notice is found to be satisfactory, the Superintendent of Central Tax will drop the proceedings and pass an order in

FORM GST REG –20.

1. 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 Superintendent of Central Tax 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.

1. The registered person whose registration is 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.
2. 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.
3. The cancellation of registration shall not affect the liability of the person to pay tax and other dues 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 Returns:**

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:**

1. When the registration has been cancelled by the Proper Officer (Superintendent of Central Tax) on his own motion and not on the basis of an application ,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 (Assistant or Deputy Commissioners of Central Tax), 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:
2. 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.
3. On examination of the application if the Proper Officer (Assistant or Deputy Commissioners of Central Tax) 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. iv. However, if on examination of the application for revocation, if the Proper Officer (Assistant or Deputy Commissioners of Central Tax) 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 REG24.
4. Upon receipt of the information or clarification in FORM GST REG-24, the Proper Officer (Assistant or Deputy Commissioners of Central Tax) shall dispose of the application within a period of thirty 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 (Assistant or Deputy Commissioners of Central Tax) shall dispose the application as per para (iii) above. In case it is not satisfactory the ap-

plicant will be mandatorily given an opportunity of being heard, after which the Proper Officer (Assistant or Deputy Commissioners of Central Tax) 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.

1. The revocation of 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 revocation of cancellation of registration under Central Goods and Services Tax Act .

**Cancellation of Registration under GST**

**Introduction**

Under the Goods and Services Tax (GST) regime, the registration granted to a taxpayer may be cancelled under specific conditions. Cancellation may either be initiated by the tax authorities on their own motion or applied for by the registered person. In the event of the death of a sole proprietor, the legal heirs are permitted to apply for cancellation. Where the cancellation is initiated by the department, there exists a provision for revocation. Once registration is cancelled, the taxpayer is required to file a final return.

**Grounds for Cancellation**

A GST registration may be cancelled on any of the following grounds:

* The person was registered under previous indirect tax laws but is not liable to be registered under GST.
* Discontinuance of business due to closure, transfer, amalgamation, merger, demerger, or death of the proprietor.
* Change in the constitution of the business.
* The taxable person is no longer liable to be registered under the Act.
* The registered person has contravened the provisions of the Act or its rules.
* A composition taxpayer has failed to furnish returns for three consecutive tax periods.
* A regular taxpayer has not furnished returns for a continuous period of six months.
* A voluntarily registered person has not commenced business within six months of registration.
* Registration has been obtained by means of fraud, wilful misstatement, or suppression of facts.

**Procedure for Cancellation**

**Voluntary Cancellation**

A registered person who is no longer liable to be registered under GST may file an application for cancellation electronically in Form GST REG-29 through the common portal. The Superintendent of Central Tax may, after conducting appropriate inquiries, cancel the registration.

**Deemed Cancellation**

Where cancellation is effected under the State Goods and Services Tax Act or Union Territory Goods and Services Tax Act, it shall be deemed as cancellation under the Central Goods and Services Tax Act.

**Department-Initiated Cancellation**

If the proper officer believes that a taxpayer’s registration is liable to be cancelled, they shall issue a show cause notice in Form GST REG-17. The taxpayer must respond within seven working days using Form GST REG-18. If the response is found satisfactory, the officer will drop the proceedings by issuing Form GST REG-20. Otherwise, the officer will cancel the registration by issuing Form GST REG-19 within thirty days from the date of application or response.

**Effect of Cancellation**

Upon cancellation of registration:

* The registered person must pay an amount equal to the input tax credit (ITC) on inputs and capital goods held in stock, or the tax payable on such stock, whichever is higher.
* For capital goods, the amount shall be equal to the ITC reduced by the prescribed percentage or tax on transaction value, whichever is higher.
* Cancellation does not affect the liability to pay tax or dues for the period prior to cancellation.

**Final Return – Form GSTR-10**

Every registered person (excluding ISDs, composition dealers, TDS/TCS detectors, and non-resident taxable persons) whose registration has been cancelled is required to file a final return in Form GSTR-10. This must be submitted electronically within three months of the date of cancellation or the date of the cancellation order, whichever is later.

**Revocation of Cancellation**

Eligibility and Application  
If the registration has been cancelled by the proper officer on their own motion, the registered person may apply for revocation in Form GST REG-21 within thirty days from the date of service of the cancellation order. If the cancellation was due to non-filing of returns, the application shall be filed only after all pending returns have been furnished and tax, interest, penalty, and late fee, if any, have been paid.

**Examination and Order**

Upon examination of the application, if the proper officer is satisfied, they may revoke the cancellation by issuing Form GST REG-22 within thirty days of receipt of the application. If not satisfied, a notice is issued in Form GST REG-23 requiring the applicant to show cause. The reply must be furnished in Form GST REG-24 within seven working days. Based on the response and after providing an opportunity of being heard, the officer may reject the application by issuing Form GST REG-05.

**Deemed Revocation**

Revocation of cancellation under SGST/UTGST is deemed to be a revocation under the CGST Act.

**Conclusion**

Cancellation of registration under GST is a structured process ensuring that both voluntary and department-initiated actions are conducted in accordance with legal provisions. The option for revocation ensures procedural fairness, provided statutory requirements are fulfilled. Filing the final return and clearing dues is mandatory to complete the cancellation process