

CBEC – 20/16/34/2019-GST / 802
24/05/2021

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

North Block, New Delhi
Dated: 24th May, 2021

To,

The Principal Chief Commissioners / Chief Commissioners of Central Tax

Madam / Sir,

Subject: Guidelines regarding cancellation of Registration under Rule 22 (3) of CGST Rules, 2017- Reg.

Kind attention is invited to Rule 22 (3) of CGST Rules, 2017 regarding procedure to be followed for processing of application filed by taxpayers for cancellation of registration. The same is reproduced below:

“ (3) Where a 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 shall issue an order in FORM GST REG-19, **within a period of thirty days from the date of application submitted under rule 20 or, as the case may be, the date of the reply to the show cause issued under sub-rule (1), [or under sub-rule (2A) of rule 21A]** 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 including the amount liable to be paid under sub-section (5) of section 29.”

2. It is evident from aforesaid rule that the proper officer is required to issue order in FORM GST REG-19 in respect of the application for cancellation of registration filed by the taxpayer within a period of thirty days from the date of the application submitted by the taxpayer and direct him to pay arrears of any tax, interest or penalty including the amount liable to be paid under sub-section (5) of section 29.

3. In order to provide clarification on various issues in relation to processing of the applications for cancellation of registration filed by taxpayers in FORM GST REG-16 and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board issued Circular No. 69/43/2018-GST dated 26.10.2018. The said circular clarified in detail the procedure to be followed in relation to processing of the applications for cancellation of registration filed by taxpayers. Para 5 of the said Circular is reproduced below:

“5. Since the cancellation of registration has no effect on the liability of the taxpayer for any acts of commission/omission committed before or after the date of cancellation, **the proper officer should accept all such applications within a period of 30 days from the date of filing the application, except in the following circumstances:**

a) *The application in FORM GST REG-16 is incomplete, i.e., where all the relevant particulars, as detailed in para 4 above, have not been entered;*

b) *In case of transfer, merger or amalgamation of business, the new entity in which the applicant proposes to amalgamate or merge has not got registered with the tax authority before submission of the application for cancellation.*


In all cases other than those listed at (a) and (b) above, the application for cancellation of registration should be immediately accepted by the proper officer and the order for cancellation should be issued in FORM GST REG-19 with the effective date of cancellation being the same as the date from which the applicant has sought cancellation in FORM GST REG-16. In any case the effective date cannot be a date earlier to the date of application for the same."

4. **However, O/o C&AG during the course of the audit, has observed that in a large number of cases, the applications for cancellation of GST registration were not disposed of by tax officers within 30 days, as prescribed under Rules 22 (3) of CGST Rules 2017. It has also been observed that in some cases, the cancellation applications were found pending even after more than 120 days.**

5. **Considering that the legal provision stipulates passing of order in respect of the application of cancellation of registration within 30 days of the date of the application, and also as it has already been clarified vide Circular No. 69/43/2018-GST dated 26.10.2018 that cancellation of registration has no effect on the liability of the taxpayer for any Acts of commission/omission committed before or after the date of cancellation, the proper officer should act as per prescribed legal process within the stipulated time in order to avoid any delay.**

6. **It is requested that all the officers under your jurisdiction may be suitably instructed to scrupulously follow the due process as envisaged in the law in time bound manner and issue the requisite order in respect of all such applications within a period of 30 days from the date of the application.**

7. **This has the approval of Member, GST.**


24/05/2021
(Sanjay Mangal)
Commissioner (GST)