

## **GST UPDATE**

**CBIC Issues SOP on  
Implementation of Suspension  
Provision of GST Registration**



**CBIC issues Standard Operating Procedure (SOP) for  
Implementation of the Provision of Suspension of  
Registrations under Rule 21A of CGST Rules, 2017-  
Circular No. 145/01/2021**

CBIC issued clarification vide Circular No 145/01/2021 – GST dated 11.02.2021 relating to implementation of provisions for suspension of registration under Rule 21A (2A) of the CGST Rules, 2017 to provides for immediate suspension of registration of a person as a measure to safeguard the interest of revenue, on observance of discrepancies /anomalies which indicate violation of the provisions of Act and rules made thereunder and that continuation of such registration poses immediate threat to revenue.

The sub rule 2A was inserted to rule 21 vide notification No. 94/2020- Central Tax, dated 22.12.2020, which stated that where on comparison of the returns furnished by a registered person under section 39 i.e. GSTR 3B with

- a. the details of outward supplies furnished in FORM GSTR-1;  
or
- b. the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their FORM GSTR-1 i.e. GSTR 2A of the registered person,
- c. or any such other analysis, as may be carried out on the recommendations of the Council,

Shows the significant differences or anomalies thus 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.

The said person shall be intimated for such suspension in **FORM GST REG 31** electronically on the common portal or **by sending a communication to his e-mail address** as updated on common portal stating the differences and anomalies, asking for explanation within thirty days as to why his registration shall not be cancelled.

Further, it clarifies that till the functionality of FORM REG-31 is made available on the portal, such intimation/ notice shall be made available to the taxpayer on their dashboard on common portal in FORM GST REG-17. The taxpayers will be able to view the notice in the “View/Notice and Order” tab post login.

The taxpayers on receipt of such intimation/ notice, would be required to reply to the jurisdictional officer, in FORM GST REG-18 online through Common Portal within the time limit of thirty days.

In case the intimation for suspension/ notice for cancellation of registration is issued on ground of non -filing of returns, the said person may file all the due returns and submit the response.

Also, Post issuance of FORM GST REG-31 via email, the list of such taxpayers would be sent to the concerned Nodal officers of the CBIC/ States. The system generated notice can be viewed by the jurisdictional proper officers on their Dashboard for suitable actions.

Upon receipt of reply from the said person or on expiry of thirty days (reply period), a task would be created in the dashboard of the concerned proper officer under “Suo moto cancellation proceeding”.

Furthermore, post examination of the response received, the proper officer may pass an order either for dropping the proceedings for suspension/ cancellation of registration in FORM GST REG-20 or for cancellation of registration in FORM GST REG-19 and based on the action taken by the proper officer, the GSTIN status would be changed to “Active” or “Cancelled Suo-moto” as the case maybe.

Where post such revocation, if required the proper officer can continue with the detailed verification of the documents and recovery of short payment of tax, if any. Further, in such cases, after detailed verification or otherwise, if the proper officer finds that the registration of the said person is liable for cancellation, he can again initiate the proceeding of cancellation of registration by issuing notice in FORM GST REG-17.

**For more details, Read the Circular from the Link below:**

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular Refund 145 12 2020.pdf;jsessionid=292F5D235C6A815979484100536C8C8F>

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