

CNK & Associates LLP

Recent Update – [Circular No. 145/2021-CT dated 11th February 2021](#)

Standard Operating Procedure (SOP) for implementation of provision of suspension of GST Registration

- **To protect the interest of Revenue, Sub-rule (2A) has been inserted to Rule 21A of the CGST Rules** which provides for immediate suspension of registration of a person on observance of discrepancies /anomalies in the returns furnished by registered persons such as:
 1. Difference in outward supply as per **GSTR-1** and **GSTR-3B**;
 2. ITC claimed in **GSTR-3B** varies to the one shown in **GSTR-2A/2B**;
 3. Differences noticed due to such other analysis, as may be carried out on the recommendations of the Council, etc.
- Where such differences or anomalies indicate violation of the provisions of Act, etc. leading to cancellation of registration of the said person then 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.

Till the time an independent functionality for **FORM REG-31** is developed on the portal, the Board, hereby provides the following guidelines (**SOP**):

1. **Suspension of Registration:** The registration shall be suspended, and system generated intimation for suspension and notice for cancellation of registration in **FORM GST REG-31**, containing the reasons of suspension, shall be sent to such taxpayers on their registered e-mail address. Till the time functionality for **FORM REG-31** is made available on portal, such notice/intimation shall be made available on the dashboard on common portal in **FORM GST REG-17**. The notice can be viewed in the “View/Notice and Order” tab post login.
2. **Reply to notice/ intimation within 30 days:** Such taxpayers would be required to furnish reply to the jurisdictional tax officer within thirty days from the receipt of such notice/intimation in **FORM GST REG-18** online through common portal, explaining the discrepancies/anomalies, if any, and shall furnish the details of compliances made or/and the reasons as to why their registration should not be cancelled.
3. **Suspension due to non-filing of returns:** In case the intimation for suspension and 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.
4. **Procedure 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**”.

5. ***Order for dropping proceedings or cancellation of registration:*** After examination of the response, the GST official 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**. 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.
6. ***Action post dropping of proceedings:*** After passing the Order for dropping the proceedings the GST Official can continue with the detailed verification of the documents and recovery of short payment of tax, if any. 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**.

CNK Comments:

1. ***Before finalising the Returns, cross tallying of figures shown in GSTR-1, GSTR-2A/2B and GSTR-3B should be done to avoid differences/anomalies.***
2. ***Reply should address all the differences/ anomalies mentioned in the notice.***

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