

Show Cause Notice for Suo-Motto GST Registration Cancellation

Dear Readers, after the implementation of GST Law in July, 2017, now GST Department has started taking action against GST Defaulter. Due to a decrease in revenue collection of GST from its targeted budget, now GST Department is taking all steps to curb GST malpractices and to catch GST Defaulters. In the recent steps, GST Department is canceling GST Registration of GST Return Defaulters Suo- Motto and Starts blocking E-Way bill generation, if the dealer is a defaulter in GST return Filing for more than 2 months.

Section 29 (2) of CGST Act, 2017 empowers, GST officer to cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where-

(a) a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or

(b) a person paying tax under section 10 (i.e Composition levy) has not furnished returns for 3 consecutive tax periods; or

(c) any registered person, other than composition registered dealer who has not furnished returns for a continuous period of 6 months; or

(d) any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within 6 months from the date of registration (i.e filing Nil GST Returns); or

(e) registration has been obtained by means of fraud, willful misstatement or suppression of facts:

Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard

In today's scenario, reasons for cancellation of GST Registration of maximum dealers are due to conditions specified in clause (c), (d) and (e) above.

Before cancellation of GST Registration, GST Officer is under obligation to issue a show-cause notice in Form **GST REG-17**, specifying the reason why, GST registration should not be canceled and registered dealer has to reply for the same within the specified time period.

[See Rule 22(1)]

Reference Number: _____

Date: 11/11/2019

To

** _____ 20, Grand Floor Block - B Landmark: _____

Pin: _____

Show Cause Notice for Cancellation of Registration

Whereas on the basis of information which has come to my notice, it appears that your registration is liable to be cancelled for the following reasons:

- 1 Collects any amount as representing the tax but fails to pay the same to the account of the Central/State Government beyond a period of three months from the date on which such payment becomes due.

You are hereby directed to furnish a reply to the notice within seven working days from the date of service of this notice.

You are hereby directed to appear before the undersigned on 20/11/2019 at 11:00

If you fail to furnish a reply within the stipulated date or fail to appear for personal hearing on the appointed date and time, the case will be decided ex parte on the basis of available records and on merits .

Precaution: Here the mostly dealers faces the heat of GST Department, they do not reply to this show cause notice within prescribed time period. Please note that this time department is very active related to these notices. In some cases, it is observed that the GST Department cancels the GST Registration on the next day of reply submission due date, if you do not reply within the specified time period.

If registered dealer do not reply to this show cause notice or fails to correct the identified error as mentioned in Show cause notice, GST officer cancels the GST Registration and issue GST Cancellation Order in **FORM GST REG-19**

Reference Number:

www.taxguru.in

Date: 25/11/2019

To

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GSTIN/ UIN : 07/DA/0027/00001

Application Reference No. (AR): 11/11/19

Dated: 11/11/2019

Order for Cancellation of Registration

This has reference to your reply dated 21/11/2019 in response to the notice to show cause dated 11/11/2019

Whereas no reply to notice to show cause has been submitted;

Whereas on the day fixed for hearing you did not appear;

The effective date of cancellation of your registration is 11/11/2019

Determination of amount payable pursuant to cancellation:

Accordingly, the amount payable by you and the computation and basis thereof is as follows:

The amounts determined as being payable above are without prejudice to any amount that may be found to be payable you on submission of final return furnished by you.

You are required to pay the following amounts on or before 05/12/2019 failing which the amount will be recovered in accordance with the provisions of the Act and rules made thereunder.

Head	Central Tax	State Tax/UT Tax	Integrated Tax	Cess
Tax	0	0	0	0
Interest	0	0	0	0
Penalty	0	0	0	0
Others	0	0	0	0
Total	0.0	0.0	0.0	0.0

Place: Delhi

Date :25/11/2019

Q-1 What to do, if GST Registration is canceled Suo- Motto by GST Officer?

If due to some reason, you are not able to reply with Suo- Motto cancellation order and your GST Registration is canceled by GST Officer then GST Department is giving another opportunity to you to re-activate you canceled GST Registration.

For Re-activation of Cancelled GST, firstly you have to correct the error/reason due to which your GST is canceled and after which you have to file GST **Cancellation Revocation Request**. Please note that, as per law, you have only 30 days time period to file Revocation request.

Q-2 I filed my GST Revocation Request but the same is rejected by Proper Officer. Where there is any other opportunity available with the registered dealers to re-activate Cancelled GST Registration?

If your revocation request is rejected by GST Officer and you are not satisfied with this order, then you have another chance to approach the department again for GST Re-activation but the process is very lengthy, time-consuming and to be taken within 3 months of this rejection.

It is suggested that kindly comply with the law and if you receive any show-cause notice from the department then reply to that notice as soon as possible to avoid any troubling situation in the future.

This article is for the purpose of information and shall not be treated as a solicitation in any manner and for any other purpose whatsoever. It shall not be used as a legal opinion and not be used for rendering any professional advice. This article is written on the basis of the author's personal experience and provision applicable as on the date of writing of this article. Adequate attention has been given to avoid any clerical/arithmetical error, however; if it still persists kindly intimate us to avoid such error for the benefits of other readers.

Source courtesy: taxguru.in