

GST UPDATE

APRIL 2025

INSTRUCTION

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A INSTRUCTION UNDER CENTRAL TAX

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A.1	17.04.2025	03/2025-GST	Instructions for processing of applications for GST registration	25	-

A.1 Instruction No. 03/2025-GST; dated 17.04.2025

To,

All the Principal Chief Commissioners / Chief Commissioners

Madam/Sir,

Subject: Instructions for processing of applications for GST registration – regarding.

References have been received in the Board regarding difficulties being faced by the applicants in getting a GST registration, mainly on account of nature of clarifications being sought by the officers with respect to information submitted in the application **FORM GST REG-01** and seeking of additional documents which are not prescribed in the List of Documents appended to **FORM GST REG-01**. While on one hand, there is a need to prevent registration of fraudulent firms created for passing on input tax credit (ITC) without any underlying supply, on the other hand, there is a need to ensure that genuine applicants seeking registration are not unduly harassed.

2. It is noted that varied practices are being followed by the officers in respect of verification of documents and details provided in **FORM GST REG-01**. It has also been observed that while processing the application, avoidable clarifications are being sought by the officers leading to delay in getting registration as well as rejection of applications.

3. An analysis of the information/clarifications/documents sought in **FORM GST REG-03** reveals that these were mainly on account of proof of principal place of business, constitution of business, identity details of authorized signatory, owner etc.

4. Guidelines for processing of application for registration were earlier issued vide instruction No. 03/2023-GST dated 14th June, 2023. However, as there have been a number of changes in the back office and due to increasing number of registration related complaints, a comprehensive instruction is being issued to take care of the latest developments and to provide clarity to the officers for processing of registration application. Accordingly, in supersession of the aforesaid instruction, the following instructions are being issued.

5. An indicative list of documents has been prescribed in **FORM GST REG-01**, for submission along with the registration application. The officers handling registration applications should go through the documents list referred to above and should strictly adhere to the following instructions in respect of processing of registration application:

6. **Documents to be sought from applicant while processing applications:**

A. **Documents in respect of Principal Place of Business (PPOB):** An indicative list of documents is prescribed in **FORM GST REG-01** for proof of Principal Place of Business.

- (i) In case of **owned premises**, the applicant has to upload the document as listed in the above-mentioned list. The list includes latest Property Tax receipt or Municipal Khata copy or copy of Electricity Bill of the owner. In this regard, it is to be noted that **any one of the documents** mentioned in the said list or any similar document such as water bill or any other document prescribed under the State or the local laws which clearly establishes the ownership of the premises submitted by the applicant should suffice. Any one document uploaded on the portal will be sufficient and no additional document should be requested from the applicant for proof of ownership of the premises of the applicant. While processing registration application, query should not be raised by the officer seeking original physical copy of these documents.
- (iia) In cases **where premises is rented**, the applicant is required to upload the valid Rent/Lease agreement alongwith **any one of the documents**, mentioned in the indicative list of documents in **FORM GST REG-01** to establish the ownership of the premise by the lessor. The list includes latest Property Tax receipt or Municipal Khata copy or copy of Electricity Bill. However, it has been observed that additional documents of the lessor are being sought by the field formations such as his PAN card, Aadhar Card, photograph of the lessor in front of/or inside the property, etc. It is hereby advised that **any one of the documents** mentioned in the said list or similar documents such as water bill or any document prescribed under the State or the local laws which clearly establishes the ownership of the premises by the lessor should be sufficient proof of the principal place of business.
- (iib) It is further advised that in case where Rent/Lease Agreement is not registered, then agreement alongwith any one of the documents mentioned in the above list and a copy of the identity proof of the lessor should be sufficient. In case where Rent/Lease Agreement is registered, agreement alongwith any one of the documents mentioned in the above list should suffice and no identity proof of the lessor should be sought. However, in case the electricity or water connection is in the name of the applicant tenant, the document evidencing the same alongwith the rent agreement should be accepted as a valid proof and no additional documents pertaining to the lessor should be sought.
- (iii) **For premises not covered under (i) and (ii) above**, such as where the ownership of premises is with spouse, relative etc., a consent letter in plain paper by the concerned owner of the premises alongwith a copy of the identity proof of the person granting consent alongwith **any one of the documents** as mentioned in list of documents appended to **FORM GST REG-01** in support of ownership of the premises of the consenter should suffice. The list includes

latest Property Tax receipt or Municipal Khata copy or copy of Electricity Bill. Any one of these documents or similar documents such as water bill or any document prescribed under the State or the local laws which clearly establishes the ownership of the premises by the consenter should suffice and no additional documents from the applicant should be sought.

- (iva) In respect of **shared premises**, where Rent/Lease agreement is available, the applicant may upload copy of the agreement alongwith any one of the documents in the said list relating to the ownership of the premises which includes latest Property Tax receipt or Municipal Khata copy or copy of Electricity Bill. In cases where Rent/Lease Agreement is not registered, then agreement alongwith any one of the documents mentioned in the above list and a copy of the identity proof of the lessor should be sufficient. In case where Rent/Lease Agreement is registered, agreement alongwith any one of the documents mentioned in the above list should suffice and no identity proof of the lessor should be sought.
- (ivb) In cases where Rent/Lease agreement is not available, the applicant may upload a consent letter in plain paper from the consenter alongwith his identity proof of the consenter and any of the said documents in support of ownership of the premises of the consenter. In such cases, **any one of the documents** mentioned in the said list or similar document prescribed under the State or the local laws which clearly establishes the ownership of the premises by the consenter should suffice and no additional document should be sought from the applicant for proof of ownership of the premises by the consenter.
- (v) In case of **rented/leased premises, where rent or lease agreement is not available**, an affidavit to that effect along with **any document** prescribed in the **FORM GST REG-01** in support of the possession of the premises of the applicant such as copy of Electricity Bill in the name of the applicant should suffice. It may be noted that in such cases, the said affidavit is to be executed on non-judicial stamp paper of minimum value in the presence of First-Class Judicial Magistrate or Executive Magistrate or Notary Public.
- (vi) If the principal place of business is located in the Special Economic Zone or the applicant is a Special Economic Zone developer, necessary documents/certificates issued by the Government of India are required to be uploaded.

B. Issues in respect of Constitution of Business:

- (i) In respect of constitution of business, where the applicant is one of the partners, Partnership Deed for the proof of constitution of business is required to be uploaded by the applicant. **No additional** document like Udyam certificate, MSME certificate, shop establishment certificate, trade license etc. should be sought from the applicant.

- (ii) In cases, where the applicant is Society, Trust, Club, Government Department, Association of Persons or Body of Individuals, Local Authority, Statutory Body and Others etc., Registration Certificate/Proof of Constitution is required to be uploaded by the applicant.

7. It has been observed that various unwarranted documents are being sought by raising presumptive queries. Some of the common queries raised are that residential address of the applicant/Managing Director/Authorized Signatory is not in the same city or the State where the registration has been sought; HSN code of goods mentioned by the applicant in Registration application is banned or prohibited for sale in the State where the applicant wishes to conduct business; the kind of activities mentioned in the registration application can not be conducted from the particular premises etc. Officers handling registration applications should not ask any presumptive query which is not related to the documents or information submitted by the applicant.

8. **Processing of registration application:**

- (i) As mentioned above, **FORM GST REG-01** prescribes a list of documents to be uploaded by the applicant in respect of photograph, constitution of business, principal place of business, bank account, etc. The proper officer shall carefully scrutinize the said documents to ensure that the documents are legible, complete and relevant. Further, the details or information furnished by the applicant in the application should also be carefully examined by the proper officer to check completeness of the same, to correlate and cross-verify the same with the uploaded documents and to check the authenticity of the applicant. The details of the address of principal and additional places of business and the corresponding documents uploaded with the application as proof of address may be closely scrutinised to verify completeness and correctness of address of such places of business. Further, to the extent possible, the authenticity of the documents furnished as proof of address may be cross-verified from the publicly available sources, such as websites of the concerned authorities such as land registry, electricity distribution companies, municipalities, and local bodies, etc.
- (ii) Where applications have not been flagged as risky on the common portal based on data analysis and risk parameters, and the same are found to be complete and without any deficiency, the officers should approve the application within 07 working days of submission of application.
- (iii) Where applications fall under the following conditions, **the registration shall be granted within thirty days of submission of application after physical verification of the place of business:**
 - a. The applicant has undergone authentication of Aadhaar number and is flagged as risky on the common portal based on the data analysis and risk parameters, or
 - b. The applicant fails to undergo authentication of Aadhar number, or does not opt for Aadhar authentication, or
 - c. The officer deems it fit to carry out physical verification of place of business, with the approval of the officer not below the rank of Assistant Commissioner.

- (iv) In cases mentioned above, where physical verification is to be carried out, the proper officer shall immediately initiate the process for physical verification of the place of business in accordance with provisions of rule 9 of CGST Rules read with rule 25 thereof. In this regard, the concerned officer must ensure that the physical verification report along with the other documents, including photographs, is uploaded on the system in **FORM GST REG-30** at least 05 days prior to the expiry of the time period 30 days from the date of submission of application. The officer carrying out physical verification shall ensure the following:
- a. Give a specific report regarding existence/non-existence of principal place of business declared by the applicant.
 - b. In case entity is found non-existing, efforts made in respect of locating the said premises, need to be recorded in the physical verification report.
 - c. Upload on the portal, GPS enabled site photograph and other documents, if any, during physical verification visit.
 - d. In case the ARN assigned for physical verification belongs to a different jurisdiction, the same should immediately be reassigned by the concerned officer to its correct jurisdiction through the portal.
- (v) The proper officer may seek clarification or information or document(s) in **FORM GST REG-03** in the following cases:
- a. Where any document is incomplete or not legible, the proper officer may seek complete or legible copy of the same.
 - b. Where the address of place of business does not match with the document uploaded by the applicant, or where such uploaded document does not appear to be a valid proof of the address of the said place of business, the proper officer may seek additional documents as mentioned in para 6 above to confirm the address details.
 - c. Where the address of place of business is incomplete or vague, the proper officer may seek complete and unambiguous details of the address along with the corresponding documentary proof.
 - d. Where any GSTIN linked to the PAN of the applicant is found cancelled or suspended, the proper officer may seek clarification or reasons for the same from the applicant, if required.
- (vi) The proper officer shall issue a notice to the applicant electronically in **FORM GST REG-03** only on the basis of above mentioned grounds, within 07 working days from the date of submission of application in cases where the applications have not been flagged as risky as mentioned in para 8(ii) above or within 30 days from the date of submission of application in cases where the applications have been flagged as risky as mentioned in para 8(v) above. However, while processing the applications for registration, **if any document apart from the listed documents is required to be sought, the officer shall seek the same only after the approval of the concerned Deputy/Assistant Commissioner.** It must be ensured that no application for grant of

registration is approved on deemed basis for want of timely action on the part of tax officers. The officer shall also ensure that no documents in addition to those as mentioned above and no clarification/information/documents on the basis of presumptive grounds shall be sought from the applicant. Further, the officer shall also ensure that queries are not raised for minor deficiencies which are not relevant for establishing Proof of Place of Business or Constitution of Business etc.

- (vii) The applicant is required to furnish reply in **FORM GST REG-04** within 07 working days from the date of receipt of notice issued in **FORM GST REG-03**. The proper officer shall carefully examine the clarification, information or documents furnished by the applicant in **FORM GST REG-04**. Where the proper officer is satisfied with the reply furnished by the applicant in **FORM GST REG-04**, he shall approve the application for registration within 07 working days from the date of receipt of such reply. However, where the proper officer is not satisfied with the clarification, information or documents furnished by the applicant, he may, for reasons to be recorded in writing, reject such application and inform the applicant electronically in **FORM GST REG-05** within 07 working days from the date of receipt of reply.
- (viii) In cases where no reply to the notice is furnished by the applicant within 07 working days from the date of issuance of notice in **FORM GST REG-03**, the officer may, for reasons to be recorded in writing, reject such application and inform the applicant electronically in **FORM GST REG-05** within 07 working days from the date of expiry of time limit of filing reply.
9. Principal Chief Commissioners/ Chief Commissioners are hereby advised to:
- i. Closely supervise the status of processing of the applications of registration, including physical verifications, nature of queries being raised, deemed registrations etc. through periodic review within their Zones;
 - ii. Strict action may be taken against the officer deviating from these instructions;
 - iii. Post sufficient staff for handling registration applications to ensure timely disposal of registration applications;
 - iv. Issue trade notices to address unique local systems to provide for acceptable documentary evidence to be submitted with the application.
10. Difficulties, if any, in implementation of these instructions may be informed to the Board on the email id **gst-cbec@gov.in**.

Your faithfully,
Shrunkhala Kangale
Deputy Secretary
Government of India
