

TRANSITION TO GST GUIDEBOOK



Transitional Provisions under GST Law

After the introduction of Goods and Services Tax (GST), there has been a significant change in the indirect tax structure in India. So to cope up with the change, transitional provisions have been inserted in the new law to ensure smooth and hassle-free adoption of new scheme while safeguarding the interests of existing taxpayers.

Steps to undertake for smooth migration under GST

If you are a taxpayer already registered for any of the taxes getting subsumed in GST like Central Excise, Service Tax and State VAT, you will be automatically migrated to GST, and your registration under GST will be confirmed after provision of additional information.

Getting final registration under GST

For getting final registration, you will need to complete the migration process within three months. You will be able to do this by furnishing information through Form GST REG-26 on the GST portal (www.gst.gov.in). In the meantime, the provisional ID can be used as GST Identification Number (GSTIN).

4 STEPS FOR MIGRATING TO GST REGIME

STEP 1 ENROLL ONLINE

Taxpayers with a valid Permanent Account Number (PAN) must **enroll on the common portal by validating their e-mail address and mobile number**

STEP 2 GET REG-25

After enrolment, registration on a provisional basis and **a certificate of registration in Form REG-25 will be granted**

STEP 3 SUBMIT DOCS

After obtaining the provisional registration, an application in **Form GST REG-26 needs to be submitted within 3 months** with requisite info/documents

STEP 4 REGISTRATION GRANTED

If the information submitted is found to be correct and complete, final registration will be granted in Form GST REG-06.

MIGRATION MISTAKES THAT CAN FETCH YOU A SHOW CAUSE NOTICE

Prescribed information/documents not submitted within the prescribed period:

If you fail to furnish the prescribed information and documents within the prescribed time limit, a show cause notice will be issued. You will also be given an opportunity to explain the delay. If the authorities are not satisfied with the reply, the provisional registration may be cancelled. If the authorities are satisfied with the reply, the notice shall be withdrawn.

Information/documents submitted are found to be incorrect or incomplete:

If you provide wrong or incomplete information/documents, a show cause notice will be issued. You will also be given an opportunity to correct the faults. If the authorities are not satisfied with the reply, the provisional registration may be cancelled. If the authorities are satisfied with the reply, the notice shall be withdrawn.

What if I am not liable to be registered under GST but provisional ID has been issued to me?

If you were a taxpayer under any of the previous tax laws but not liable to be registered under GST, you will need to file an application in Form GST REG-29. Henceforth, the proper officer will make an enquiry and if he deems fit, the registration will stand cancelled.

QUICK FACT

One GSTIN will suffice for both Centre and States. You don't need to apply separately for registration under Centre and States.

Mandatory Information/Documents For GST Enrolment

1. Provisional ID received from State/Central Authorities
2. Password received from the State /Central Authorities
3. Valid e-mail address and mobile number as dealer will be sent one OTP on their e-mail address and another OTP on their mobile phone number. Dealers will be required to enter these OTPs during creation of username and password
4. Details of bank accounts including Bank IFSC Code

| Documents | File Format | Max. File Size |
|--|-------------|----------------|
| Proof of Constitution of Business • For Partnership Firm: Partnership Deed • For Others: Registration Certificate of the Entity | PDF or JPEG | 1 MB |
| Photo of Directors/Promoters/Partners/Karta of HUF | JPEG | 100 KB |
| Proof of Appointment of Authorized Signatory | PDF/ JPEG | 1 MB |
| Photograph of Authorized Signatory | JPEG | 100 KB |
| Opening page of Bank Passbook/Statement containing Bank Account Number of, Address of Branch, Address of A/C Holder and latest transaction details | PDF or JPEG | 1 MB |

KNOW ALL ABOUT TRANSFER OF CREDITS

What will happen to the existing credits of VAT or other taxes?

Existing credits as appearing in the last returns can be transferred to GST (subject to certain conditions) by filing FORM GST TRAN-1 within 90 days. Such credits will be transferred as follows:

- VAT Credits will become SGST Credits
- CENVAT Credits (service tax, excise duty, etc.) will become CGST Credits

What are the conditions for transfer of existing credits to GST regime?

Existing credits can be transferred to the GST regime subject to the following conditions:

- The said amount of credit is admissible as input tax credit under GST
- All the returns required under the existing law (i.e. Central Excise, Service Tax, VAT, etc) for the period of six months immediately preceding 1st July, has been furnished
- The amount of credit does not relate to goods manufactured and cleared under certain exemption notifications.

Can I claim credit of taxes paid on purchase of goods or services under previous tax laws, if such goods or services are received after July 1?

If tax has already been paid on purchases under previous tax laws and such goods or services are received after onset of GST, credit of such taxes shall be available provided the corresponding invoices are recorded in books of accounts within one month of implementation of GST

For example:

ABC purchased a laptop (inputs) on 30th June and paid in full including the tax chargeable under VAT. However, the laptop was received on 5th July. In this case, he shall be eligible to take credit of taxes paid under VAT, provided the corresponding invoice is recorded in his books of accounts by 30th of July, 2017.