



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

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Sub : CBIC prescribes guidelines for processing of applications for GST registration

Dear Member,

Fake registrations and issuance of bogus invoices for passing of fake ITC has become a serious problem, where fraudulent people get engaged to complex transaction. CBIC vide Instruction No.3/2023-GST dated 14.6.2023 ([enclosed](#)) has issued guidelines for strengthening the process of scrutiny and verification of registration applications at the end of tax officers.

Guidelines for processing of applications for GST registration are as follows:

- 1) Central and State administration authorities have found that for obtaining fake registrations, ID Cards of other persons have been misused without their knowledge, or used by offering small cash amount to people from economically weaker sections by linking Aadhar of these persons to dummy mobile number controlled by fraudsters.
- 2) The process of scrutiny and verification of details to be initiated immediately on receiving application for registration in Task List.
- 3) To the extent possible, authenticity of documents furnished as Address proof to be cross verified with publicly available sources, such as websites of concerned authorities such as land registry, electricity distribution company, municipalities and local bodies.
- 4) DGRAM is providing "High, Medium, Low" risk rating for ARN of registration application to Central authorities in report series 400 on DDM portal. Risk rating made available by DGRAM to be considered while processing by Central authorities.
- 5) Status of other registrations obtained on same PAN and compliance record of such GSTINs also needs to be considered.
- 6) Special attention to be given to following cases:
 - i. Where registration obtained on same PAN cancelled previously,

ii. Where registration obtained on same PAN is suspended at the time of processing of new registration on same PAN,

iii. Whether registration application on same PAN rejected previously,

iv. Where place of business is risky,

v. Where proof of address prima facies appears to be suspicious.

7) Clarification to be sought in following cases:

i. Incomplete/Ineligible Documents

ii. Where uploaded document does not appear to be valid proof, proper officer may seek additional documents to confirm the address details,

iii. Where address of place of business is ambiguous, proper officer may seek unambiguous and complete details along with corresponding address proof,

iv. Reasons for suspension/cancellation of GSTINs on same PAN.

8) Physical verification to be carried out as per Rule 9 read with Rule 25 where Aadhar authentication is not done. Physical verification report along with photographs to be uploaded on system in REG-30 in advance of prescribed time limit.

9) Also, physical verification may be done in cases where Aadhar authentication is done. Central processing Center may get PV done through jurisdictional officer.

10) Gross negligence for failure to raise query timely in physical verification cases to be viewed seriously.

11) Cases of deemed approval or High risk rating cases where registration has been granted without physical verification to be reported to Commissionerate and physical verification of such cases to be done within 15 days.

12) Physical verification may also be conducted in other cases on basis of risk parameters made available.

13) Cases of deemed approval to be examined by Pr. Chief Commissioner/Chief Commissioner for taking subsequent remedial action.

Members may kindly make a note of the above.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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