

GSTN enables registration functionality for companies under IBC

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The Goods and Services Tax Network (GSTN) on Sunday announced a new registration functionality for erstwhile registered entities who are now corporate debtors under the provisions of the Insolvency and Bankruptcy Code (IBC), 2016.

GSTN is the information technology backbone for the indirect tax system.

This new facility will benefit the companies which are undergoing the corporate insolvency resolution process and those whose management affairs are being undertaken by Interim Resolution Professionals (IRP) or Resolution Professionals (RP).

The registration process

To use this functionality, the appointed IRP/RP should choose the reason to obtain new registration in the drop-down menu as “Corporate Debtor undergoing the Corporate Insolvency Resolution Process by IRP/RP” while applying for registration on the GST portal.

Based on the GST Council resolution, the CBIC issued a notification saying that corporate debtors shall be liable to obtain new registration through IRP/RP. Accordingly, the IRP/RPs can apply for new registration on the behalf of corporate debtors within 30days from their appointment or by June 30, whichever is later.

The registration can be applied in each of the States/UTs where the corporate debtor was registered earlier.

A corporate debtor undergoing insolvency is liable to furnish its GST returns, make payment of tax and meet all other GST compliances as per the GST law during the corporate insolvency resolution process (CIRP) period. Such corporate debtors shall be treated as distinct person and they are liable to take new registration through IRP/RP w.e.f. the date of appointment of such IRP/RP for management of affairs of the corporate debtors.

Corporate debtors who have not defaulted in furnishing the return under GST would not be required to obtain a separate registration. Accordingly, if statements in FORM GSTR-1 and returns in FORM GSTR-3B for all the tax periods prior to the appointment of IRP/RP have been furnished under the registration of Corporate Debtor (earlier GSTIN), the IRP/RP would not be required to take a fresh registration.

In such cases, the IRP/RP is made Authorised Signatory under non-core amendment and they can continue using the same GSTIN.

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