Chapter 2
Registration

Section 69 of the Finance Act, 1994, provides principal provisions governing registration under service tax. In addition, Service Tax Rules, 1994 and Service Tax (Registration of Special Category of Persons) Rules, 2005, provide procedural provisions associated with registration. Further, Department has clarified various issues relating to registration from time to time. A substantial penalty for failure to get registered under the Act, which was hitherto kept nominal, has been introduced by the Finance Act, 2008. Further, in its derive to automate the system of registration and other compliances under the excise and service tax law, the Central Government has introduced Automation of Central Excise and Service Tax (ACES) system in almost all over India in December 2009, where under, every assessee is required to obtain registration, or apply for amendment or surrender of registration, electronically through ACES system, though the law relating to registration and relevant forms remain the same. In this Chapter we have discussed law relating to registration.

1. Persons Requiring Registration

Section 69 requires the following persons to make an application for registration with the concerned Superintendent of Central Excise—

(i) Every person who is liable to pay service tax [Section 69(1)]; and
(ii) Such other person or class of persons who may be specified by the Central Government, by notification [Section 69(2)].

(i) Registration by persons liable to pay service tax (Section 69(1)): The prime responsibility to seek registration under service tax provisions lies on the person who is liable to pay service tax. There are two categories of persons who are liable to pay service tax—

(a) Service providers: Usually, provider of taxable service is liable to pay service tax and therefore, he needs to get himself registered with the Department.

(b) Specified persons as per Rule 2(1)(d) of the Service Tax Rules, 1994: The Central Government has provided a list of persons belonging to specific categories, who are liable to pay service tax. A list of such persons follows—

(a) In relation to the telecommunication services person liable for paying service tax means Director General of P&T or CMD of MTNL or any other person having licence.¹

(b) In relation to general insurance business, person liable for paying service tax means the insurer or re-insurer, as the case may be, providing such service.

¹. Licence granted under first proviso of Section 4(1) of Indian Telegraph Act, 1885.
(c) In relation to insurance auxiliary service provided by an insurance agent, person liable for paying service tax means any person carrying on general insurance business or life insurance business in India.

(d) In relation to any taxable service provided or to be provided by any person, from a country other than India and received by any person in India under Section 66A of the Act, the recipient of such service is the person liable to pay tax.

(e) In relation to taxable service provided by a goods transport agency, specified consignor or consignee of goods who pays or is liable to pay freight either himself or through his agent for the transportation of such goods by road in a goods carriage is the person liable for paying service. In any other case, where the consignor/consignee is not a specified person, then the service provider i.e. GTA is liable for paying service tax.

(f) In relation to business auxiliary service of distribution of mutual fund provided by a mutual fund distributor or an agent, as the case may be, person liable for paying service tax means the mutual fund or asset management company receiving such service.

(g) In relation to sponsorship service provided to any body corporate or firm located in India, the body corporate or as the case may be, the firm, who receives such sponsorship service is liable to pay tax.

Thus, apart from service providers, the above persons liable to pay service tax are also required to seek registration under the provisions of service tax.

(ii) Registration by such other person or class of persons who are notified by the Central Government: Special Category of persons (Section 69(2)): It was felt by the Department that in certain instances, though the person may not be liable to pay service tax, for the sake of accountability, such person needs to get registered with the Department. Effective from 16-06-2005 the Central Government has notified following persons who are required to make an application for registration:

(a) an input service distributor;
(b) any service provider whose aggregate value of taxable service in a financial year exceeds Rs 9.00 lakh.

The above persons have been termed as “special category of persons” and have been defined in the Service Tax (Registration of Special Category of Persons) Rules, 2005 as follows:

(a) Input service distributor: Rule 2(c) of the Service Tax (Registration of Special Category of Persons) Rules, 2005 provides that the meaning of “input service distributor” shall be as per Rule 2(m) of the CENVAT Credit Rules, 2004.

Rule 2(m) of the CENVAT Credit Rules, 2004 defines “input service distributor” to mean—

(i) an office of the manufacturer; or
(ii) an office of the producer of final products; or
(iii) an office of the provider of output service,

which receives invoices issued under Rule 4A of the Service Tax Rules, 1994 towards purchases of input services and issues invoice, bill or, as the case may be, challan for the purposes of distributing the credit of service tax paid on the said services to such manufacturer or producer or provider, as the case may be.

The concept of “input service distributor” is used in case of an organisation having branches/units in different parts of the country which may have an office which makes payment for the goods and services purchased for its other branches/units/factories. In such a case the CENVAT Credit available on consolidated procurement or input services needs to be distributed to the branches/units which, in actuality, utilise those services in provision of output services or production final products. With a view to ensure the appropriateness of

---

2. Prior to 01-04-2007, in case of sponsorship services, recipient of service was liable to pay service tax irrespective of his location in India or outside India.
4. Prior to 01-04-2008, this limit was Rs 7 lakhs.
distribution of input service tax credit, the office distributing such credit, i.e., input service distributor, has been made subject to registration under service tax provisions.

(b) Service provider whose aggregate value of taxable service in a financial year exceeds Rs 9.00 lakh: In this case “aggregate value of taxable service” means the sum total of first consecutive payments received during a financial year towards the gross amount, charged by the service provider towards taxable services provided or to be provided. Such gross amount shall not include payments received towards such receipts which are wholly exempt from service tax under any Notification except Notification No. 6/2005-ST, dated 01-03-2005 as amended by Notification Nos. 4/2007-ST, dated 01-03-2007, and 8/2008-ST, dated 01-03-2008.

Where the service provider provides more than one taxable service from one or more premises, the aggregate value shall include value of all taxable services rendered from all the premises and not separately for each service or each premises. Whenever such aggregate value exceeds Rs 9.00 lakh, such service provider is required to get registered. It may be noted that this provision specially pertains to small service providers, who are liable to pay service tax when their gross receipts exceed Rs 10 lakh but are liable to get registered when their gross receipts exceed Rs 9 lakh.

2. Application for Registration (Except for Special Category of Persons)

A person is required to make application for registration in the prescribed form which is to be submitted with the Department within the prescribed time-limit. Following discussion elaborates upon this aspect.

(i) Prescribed Form: Form ST-1 has been prescribed by Rule 4(1) to make an application for registration. This form, to be submitted in duplicate, is self-explanatory. Information required to be furnished includes name, address (both of the assessee and the premises to be registered), PAN, category of the service, FAX/Telex and Phone number, and also the form of organisation. When the assessee is rendering more than one taxable service, all the services should be mentioned at one place in the registration form.

Enclosures with Form ST-1: No enclosures are required to be attached along with Form ST-1 as per Service Tax Rules, 1994. However, CBEC Circular No. 83/2/2005-ST, dated 21-10-2005 states that the applicant shall be required to produce copy of PAN, proof of residence and constitution of applicant at the time of filing an application for registration. Power of attorney would be required in respect of authorised person(s). Further, as per Trade Notice No. 6/2008, dated 08-07-2008 issued by Delhi Service Tax Commissionerate, “the following documents will be accepted for the proof of address and for establishing identity/constitution of company—

For Local/Single Registration

(1) Copy of PAN Card of the assessee.
(2) Proof of address of the premises to be registered. A copy of telephone bill, electricity bill, rent agreement in the name of the company or in the name of proprietor/partner/firm (in the case of proprietary) or document accepted by any of the Central/State Government Department e.g./i.e. Income Tax, Sales Tax, Registrar of Companies, DGFT or passport in the case of address.
(3) In case of partnership firm: Partnership deed.
(4) In case of companies: Copy of Memorandum of Association.

For Centralised Registration

For centralised registration, in addition to the above documents, the proof of address in respect of each of the premises/branch for which the centralised registration is sought for should be furnished in line with the description mentioned in (2) above.”

Besides submitting partnership deed, a firm may also submit Power of Attorney authorising any of the partners/employees of the firm to sign, deal and comply with all the matters relating to Service Tax.
Similarly in case of a company, besides Memorandum of Association/Articles of Association, an extract of the resolution passed by the Board authorising any of the directors/employees of the company to sign, deal and comply with the provisions of Service Tax may also be submitted.

In case of professionals like Chartered Accountants or Company Secretaries etc., who are members of professional institutes and have been granted certificate of practice, a copy of such certificate may also be attached.

Further, the authorised signatory of the applicant should ensure that no column in the ST-1 be left blank or/and is correctly and legibly filled in order to avoid delay in issuance of registration. Only legible copies of the documents be submitted to the Department.

*Given the above position in law, application for registration now can be made only through ACES system. For details refer Chapter 13 on ACES.*

(ii) **Time-limit for making registration application:** The time-limit for making application for registration is as under:

(a) *In case of an existing business:* Within 30 days from the date of notification of a particular service as taxable service. [Rule 4(1)]

(b) *In case of a newly commenced taxable service:* Within 30 days from the date of commencement of taxable service. [First Proviso to Rule 4(1)]

*Note: The time-limit of 30 days for applying for registration is applicable where assessee crosses threshold limit of Rs 9 lakh pertaining to receipts from taxable service.*

### 3. Application of Registration (For Special Category of Persons)

Service Tax (Registration of Special Category of Persons) Rules, 2005 prescribe the manner of registration for special category of persons. These rules have come into force w.e.f. 16-06-2005. Following are the relevant provisions:

(i) **Application by Input Service Distributor:** Rule 3(1) states that the input service distributor shall make an application for registration to the jurisdictional Superintendent of Central Excise in the specified form. The application is to be made within a period of 30 days from the commencement of business or 30 days from the 16th day of June, 2005, whichever is later.

(ii) **Application by provider of taxable service whose aggregate ‘value of taxable service’ in a financial year exceeds Rs 9.00 lakh:** Such a service provider shall make an application for registration to the jurisdictional Superintendent of Central Excise in the specified form. The application is to be made within a period of 30 days of exceeding the aggregate value of taxable service of Rs 9.00 lakh.

*Applicability of Service Tax Rules, 1994, to special category of persons as mentioned above.* The provisions of sub-rules (2) to (8) of Rule 4 of Service Tax Rules, 1994 shall be applicable, with such modifications and alterations as may be prescribed by the Board, to the “special category of persons” who make an application for registration, as mentioned above. In other words, all provisions of Service Tax Rules relating to registration as discussed in this Chapter, with specified modifications/alterations, shall apply to the registration of “special category of persons”.

*Given the above position in law, application for registration now can be made only through ACES system. For details refer Chapter 13 on ACES.*

### 4. Single or Multiple Registration

*Registration of Service Provider:* When a person provides single taxable service from one premises/office, he is required to seek registration with the service tax authorities having

---


jurisdiction over the area where his premises situate. This is the simplest business situation, there may be cases where the assessee provides more than one service or has more than one office or works under more than one name. Registration requirements in such cases have been discussed below under following heads:

(i) Assessee has more than one proprietorship firm in different names.
(ii) Assessee provides/receives more than one taxable service.
(iii) Assessee provides one or more than one taxable service from different premises or offices.

(i) In case the assessee has more than one proprietorship firm in different names: A service provider may have more than one sole proprietorship firm in different names, though he remains the owner in all the cases. All these sole proprietorships may render different taxable services from the same premises. In such a case, the service provider shall obtain separate registration for each of such sole proprietorships.

(ii) In case assessee provides more than one taxable services: If the assessee provides more than one taxable service (i.e. multiple taxable services), he may make a single application, mentioning therein all the taxable services provided by him. [Rule 4(4) of Service Tax Rules, 1994]

Certificate of Registration in Form ST-2 should also indicate the details of all the taxable services provided by the service provider.

(iii) In case an assessee provides one or more than one taxable Service from more than one Premises or Offices: Such assessee may have a centralised billing or accounting system or may not have centralised systems at all.

Under centralised billing system, bills are raised from the main office (may be regional office or head office) whereas services are provided from different offices or premises throughout the country. No single branch raises the bill for the services provided by it but the same is intimated to the main office which handles the raising of bills.

Under centralised accounting system, bills are raised from various branches of the assessee but are accounted for at one office where the centralised accounting system is located. Thus, all the branches are permitted to raise their own bills for rendering the service to the clients but the accounting of the bills is done at a single office.

When the assessee does not have either centralised billing or centralised accounting system, he is required to make separate applications for registration in respect of each such premises or offices to the jurisdictional Superintendent of Central Excise and obtain separate registrations. [Rule 4(3A) of Service Tax Rules, 1994]

However, in case the assessee maintains centralised billing or centralised accounting system, he has an option to register such premises or offices where such centralised billing or centralised accounting systems are maintained. [Rule 4(2) of Service Tax Rules, 1994] Details about centralised registration have been discussed in the following para.

Registration of service recipient liable to pay service tax: Under service tax law, usually it is the service provider who is liable to pay service tax. However, there are specified cases like goods transport agency services or import of services where service recipient is liable to pay service tax under reverse charge mechanism and is liable to get registered with the service tax authorities. Till 02-11-2006, such service recipient was required to seek registration for every premise where such services were received. He was not eligible to take centralised registration. The Service Tax Rules have been amended w.e.f. 02-11-2006 to extend the facility of centralised registration to any person liable to pay service tax. Therefore, with this amendment, the service receiver or any other person made liable to pay service tax, having centralised accounting/billing for such service will also be eligible to take centralised registration.

5. Centralised Registration

Rules 4(2) and 4(3) of the Service Tax Rules govern the provisions regarding registration in case of centralised systems. Prior to 01-04-2005, the assessee seeking centralised registration
was allowed to get only one office registered as central office, i.e., the assessee could take single registration for all its branches.

Effective from 01-04-2005, amendments have been made to Rules 4(2) and 4(3) of the Service Tax Rules, 1994 to facilitate more than one centralised registration, i.e. more than one office of an assessee such as his zonal or regional office depending upon their centralised billing or accounting systems. In view of the amendment, if a bank has its head office at Mumbai and regional offices at Bhopal, Jaipur and Bangalore and the bank has centralised billing or centralised accounting facilities available at each of these regional offices, then the bank, at its option, can get each of these regional offices registered (and not only the Mumbai office) for the purpose of discharging the service tax liability. [CBEC Instruction Letter (F. No. B1/6/2005-TRU), dated 27-07-2005]

Registration Granting Authority for Centralised Registration w.e.f. 02-11-2006: The Service Tax Rules, 1994, have been amended vide Notification No. 29/2006-ST, dated 02-11-2006 to simplify the procedure for grant of centralised registration for service taxpayers who provide service from multi-location. It has now been prescribed that henceforth, in all cases where the tax-payer opts for centralised registration, including those who have applied for such registration but have not been granted such centralised registration, the registration will be granted by the Commissioner of Central Excise/Service Tax having jurisdiction over the premises for which centralised registration is sought (from where centralised billing is done or centralised accounting system is maintained).

However, this amendment would not affect centralised registration already issued before 02-11-2006. As to the pending applications for centralised registration as on the 02-11-2006, CBEC Instruction Letter (F. N. 137/50/2005-CX.4), dated 03-11-2006 states that, “all applications for centralised registration pending with the Chief Commissioners or DGST, may please be transferred to the Commissioners, having jurisdiction over the premises for which centralised registration is sought. The Commissioner of Central Excise granting centralised registration, shall within a week of granting such centralised registration, send a copy of Form ST-2 (Certificate of Registration) to all Commissioners in whose jurisdiction the associated premises are located, i.e."

(a) premises from where taxable services are provided; or
(b) premises where taxable services are received; or
(c) premises associated to a taxable service, in any manner, making him liable to pay service tax.”

6. Grant of Certificate of Registration

The Superintendent of Central Excise shall, after due verification of the application form, grant a certificate of registration in Form ST-2 within seven days from the date of receipt of the application. If the registration certificate is not granted within the said period, the registration applied for shall be deemed to have been granted. [Rule 4(5) of the Service Tax Rules, 1994]

Registration No., also known as “Service Tax Code (STC)” is a fifteen digit PAN based number. First 10 digits of this number are the same as the PAN of such person. Next two digits are “ST”. Next three digits are serial numbers indicating the number of registrations taken by the service taxpayer against a common PAN.

In addition to STC, another number, namely, “premises code” is also given (mentioned at Sl. No. 5 of the Form ST-2). This number indicates the code of the jurisdictional Commissionerate, division, range and Sl. No. within the range. This number is issued for easy identification of location of registration of the service taxpayer. [CBEC Circular No. 97/8/2007, dated 23-08-2007]
The deeming provision of granting of certificate assures the assessee to commence his business without waiting for the certificate. In the absence of registration number (in case registration certificate is not received within seven days of filing registration application), the assessee may pay service tax and file service tax returns by using the words “applied for registration” in place of mentioning registration number on the relevant documents.

As to the problems faced by the assesses in getting registration and delays in issuance of the certificate, the Board has issued an instruction letter (Dy. No. 294/Com(ST)/2007), dated 03-09-2007, stating that the “Board has taken a serious view of the matter. The information required for grant of registration is already prescribed in the ST-1 format. Therefore, no additional information or document is required for granting registration. Delay in grant of registration not only affects the business of the taxpayer adversely, but also dissuades the potential taxpayers from taking registration and complying with the service tax laws. In case, it is felt that certain verification needs to be conducted to check the bona fides of the taxpayer, the same can be done on ex-post-facto basis, without delaying the process of grant of registration. It is, therefore, requested that it should be ensured that in no case, grant of registration should be delayed beyond the prescribed time and that appropriate action should be taken against the officers causing such delays.”

7. Change in the Existing Certificate of Registration

After an assessee obtains a certificate of registration, there may be change in the circumstances requiring a corresponding change in the registration certificate.

The Finance Act, 2006, vide Notification No. 5/2006-ST, dated 01-03-2006, has inserted sub-rule (5A) to Rule 4, to make it obligatory on the part of the assessee to intimate in writing any change in the information submitted at the time of registration within 30 days of such change. The aforesaid sub-rule has limited the obligation of the assessee to the intimation of change to the Central Excise Officer. This leaves it to the prerogative of the Central Excise Officer to amend the existing registration certificate or to issue a new one.

Effective from 01-03-2007, the assessee is required to submit only a self-certified copy of the registration certificate for affecting any changes therein. Prior to this date, while intimating any change in information furnished at the time of obtaining registration certificate, the assessee was required to submit the original registration certificate with the Department. The Government vide Notification No. 1/2007-ST, dated 01-03-2007 has amended the Service Tax Rules, 1994, to dispense with the requirement of submission of original registration certificate to the Department at the time of intimation of any changes.

As per the Delhi Service Tax Commissionerate Trade Notice No. 6/2008, dated 08-07-2008, there is no need to resubmit all the documents (submitted at the time of registration for address proof etc.) for the deletion/addition of any service, if already submitted to the Department earlier. However, in case of addition of a premises/branch, proof of address in respect of new premises is to be submitted.

Given the above position in law, change in certificate of registration now can be done only through ACES system. For details refer Chapter 13 on ACES.

8. Surrender or Cancellation of Certificate of Registration

Every registered assessee who ceases to provide the taxable service for which he is registered, is required to surrender his Certificate of Registration immediately to the superintendent of Central Excise. On receipt of the certificate, the Superintendent of Central Excise shall ensure that the assessee has paid all monies due to the Central Government under the provisions of the Act, and the rules and the notifications issued thereunder, and thereupon cancel the registration certificate.

There is no statutory requirement for the assessee to make an application for surrender of certificate. In this regard, CBEC Instruction Letter (F. No. 334/4/2006-TRU), dated 28-02-2006 states that, “It may be noted that the cancellation of registration may be done when the assessee applies for cancellation on his own or surrender his certificate under Rule 4(7) and
not in other cases. It may be noted that there is no statutory requirement for the assessee to make any application for cancellation in every case”.

Non-surrender of certificate does not attract any penalty but entails a liability to furnish return on half-yearly basis even if no service is provided and the return is a ‘NIL’ return. In view of this, any assessee deciding to discontinue providing of the taxable service should immediately surrender his certificate on its discontinuance. However, a permanent discontinuance should be distinguished from the temporary suspension of business because in the latter case there is no need to surrender the registration certificate.

In case an assessee is providing multiple taxable services under single registration and opts to discontinue any one or more of such taxable services, he may bring the same to the notice of the concerned Superintendent of Central Excise so that an endorsement to this effect is made on his certificate of registration. In such case, he need not surrender the registration certificate.

It may be noted that the cancellation of registration may be done when the assessee applies for the cancellation or surrenders his certificate on his own under Rule 4(7) and not in other cases. As for the possibility of cancellation of registration by the Central Excise Officer *suo motuo*, there is no express provision which authorises the authorities to cancel registration. Thus, it seems that except the imposition of penalty, registration of the assessee cannot be cancelled for violation of any of the service tax provisions.

*Given the above position in law, surrender of registration now can be done only through ACES system. For details refer Chapter 13 on ACES.*

9. **Penalty for Non-registration**

Effective from 10-05-2008, the Act has specified a substantial penalty for non registration under service tax. In this regard, Section 77 of the Act provides that where a person liable to take registration under the Act fails to do so, such person shall be liable to pay a penalty which may extend to Rs 5000, or Rs 200 every day of continuous default, starting with the first day after the due date till the date of actual compliance, whichever is higher.