

GST and JOHNNY- UPDATE No.23



This Papa:

As per Notification No. 11/2020-Central tax dated 21st March 2020 corporate debtor covered under the provisions of Insolvency bankruptcy Code, 2016 (IBC) has to obtain new registration for the period under Corporate Insolvency Resolution process. Further the circular No. 134/04/2020 dated 23rd March 2020 was issued clarifying this notification. In this circular, it has been mentioned that the old registration need not be cancelled.

The moot question that arises is what shall happen to the unutilized credit if any in the electronic credit ledger. Will this be transferred to new registration or has refund to be claimed. If the credit is to be transferred to new registration, then under what provisions as Section 18 of CGST Act 2017 does not cover this special procedure.

There are yet many unsettled issues which require attention. This has restituted taxpayers to the position as they were before.