

How to Cancel GST Registration (2026): Form GST REG-16, Auto Acceptance and Revocation

Description

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Quick summary

- Apply online in FORM GST REG-16 on the GST portal, within 30 days of the event that makes cancellation necessary. There is no time limit where a sole proprietor has died.
- File every pending return and clear all unstayed tax, interest and penalty first. If you reported outward supplies in GSTR-1 or IFF for a period, GSTR-3B for that period must also be filed before you apply.
- Following the 57th GST Council meeting, an application that meets those conditions is to be accepted automatically by the system, with confirmation in the new FORM GST REG-38.
- If the system cancels your registration for non-compliance, you can apply for revocation in FORM GST REG-21 within 180 days of the cancellation date, and the system is to restore it once the defaults are cured.
- Four grounds on which an officer could cancel a registration under rule 21 are recommended for deletion, including anti-profiteering and a GSTR-1 against GSTR-3B excess.

A GST registration that is no longer needed does not lapse on its own. Until it is cancelled, returns keep falling due, and late fees and notices keep accruing against a business that may have closed months ago. This is one of the most common avoidable problems we see.

The process is about to get easier. On 09/10/2026 the Press Information Bureau issued two sets of FAQs, one on the cancellation of GST registration and one on the GST registration application, setting out both how the process works today and what changes after the 57th GST Council meeting of 08/10/2026.

Read the two apart. The form, the 30 day limit and the conditions below are the process as it stands. Automatic acceptance, FORM GST REG-38, system cancellation and system revocation are Council recommendations, which take effect only through the amendments and notifications that follow. Where something is not yet in force, this guide says so.

When you can apply for cancellation

You can apply where any of the following has happened:

- The business has been **completely discontinued, closed down, or transferred in full**, for any reason.
- There is a **change in the constitution of the business that results in a new PAN**.
- The business has been **amalgamated, demerged or disposed of**.
- You are **no longer liable to be registered**.

That last one catches more people than they expect. A voluntary registration taken to satisfy one customer, or a registration taken when turnover was expected to cross the threshold and it never did, both sit here.

The 30 day rule

Situation	Time limit to apply
Any event warranting cancellation	Within 30 days of the event
Death of a sole proprietor	No time limit

The 30 days run from the event itself, not from the date you get round to dealing with it. If you closed the business in March and remember in October, you are already late, and the registration has been accruing return obligations the whole time. Apply anyway, because every further month adds to the problem.

How to apply, step by step

1. Log in to the GST portal with your own credentials.
2. Go to **Services, then Registration, then Application for Cancellation of Registration**, which opens FORM GST REG-16.
3. Enter the **reason for cancellation**, the **date from which cancellation is sought**, the **details of closing stock**, and **any tax liability on that stock**.
4. Verify with a **Digital Signature Certificate or an Electronic Verification Code** and submit.
5. An **ARN** is generated. Track the status on the portal against that number.

The closing stock figure is the step that gets rushed. You are declaring the stock of inputs, semi-finished and finished goods and capital goods held on the day before cancellation takes effect, and paying back the credit attributable to it. Getting that wrong turns a routine cancellation into a demand later.

What must be clear before you apply

All three of these have to be satisfied:

- **Every return due on or before the date of the application has been filed.**
- **All tax, interest and penalty has been paid**, except anything stayed by a court, Tribunal or Appellate Authority.
- Where you furnished outward supplies in **GSTR-1 or the Invoice Furnishing Facility** for a tax period, the **GSTR-3B for that same period has also been filed** before you submit the application.

That third condition is the one that trips up a business winding down, because it is common to keep reporting invoices in GSTR-1 while letting GSTR-3B slip. The application will not go through on an automated basis until

the pair is matched up.

Automatic acceptance: what changes

This is the substance of what the Council recommended, and it splits by how much credit you have passed on.

Your position	How the application is to be processed
Never passed on input tax credit above ?2.5 lakh in any month since registration	Accepted automatically by the system once the conditions above are met, with confirmation sent on the common portal in **FORM GST REG-38**
Passed on credit above ?2.5 lakh in any month, phase 1	Processed automatically if you file the final return in **FORM GSTR-10** along with the FORM GST REG-16 application
Passed on credit above ?2.5 lakh in any month, phase 2	File FORM GST REG-16 alone, and the system processes it

FORM GST REG-38 is a new form, and in the second phase FORM GST REG-16 itself is to be amended so the GSTR-10 details can be given inside the cancellation application rather than as a separate filing.

Cancellation by the department, and getting the registration back

Two separate things are changing here.

System cancellation. Where a registration has been suspended by the portal for non-compliance, such as not filing returns for six consecutive months or not furnishing bank account details as rule 10A requires, and the default is not cured within the time allowed, section 29 is being amended so that the system cancels the registration without an officer being involved.

System revocation. Cure the default and file an application for revocation in **FORM GST REG-21 within 180 days of the date of cancellation**, and the system is to restore the registration, again without officer intervention. The 180 days matter: miss that window and you are into a far harder conversation, or a fresh registration with a new GSTIN and the loss of continuity that brings.

Four grounds for officer-initiated cancellation go. The Council recommended omitting these from rule 21 of the CGST Rules, 2017:

- availment of input tax credit in violation of section 16 or the rules made under it;
- violation of section 171, the anti-profiteering provision;
- violation of rule 86B;
- where outward supplies declared in FORM GSTR-1 or 1A for one or more tax periods exceed those declared in FORM GSTR-3B.

The last of those is significant in practice. A GSTR-1 against GSTR-3B gap is a reconciliation problem and often an innocent one, and it should not by itself have put a registration at risk of cancellation.

While you are at it: the registration side is changing too

The companion FAQ deals with applying for registration rather than cancelling it, and the direction is the same.

- A **comprehensive guideline** has been issued on what information and documents each field of the application needs, covering constitution of business, principal place of business and the rest, and it also guides officers across the Centre and the States so that processing is uniform.
- A **circular** is to carry a checklist of the documents and information needed, so an applicant can assemble everything before starting.
- **FORM GST REG-01 is to get drop-down boxes and tool-tips**, and the portal is to show only the documents relevant to the type of premises selected, so an owned premises and a rented premises no longer present the same list.
- Importantly, **no additional documents are to be uploaded or demanded by the officer** beyond that list, which is to be clarified by circular.
- A step-by-step manual already exists on the portal under **Help and Taxpayer Facilities, then GST Knowledge Portal, then Register with GST**.

Common mistakes we see

- **Treating closure of the business as closure of the registration.** It is not. Until REG-16 is filed and accepted, the returns keep falling due.
- **Missing the final return.** FORM GSTR-10 is a separate obligation from the cancellation application, and it carries its own late fee.
- **Forgetting the stock liability.** Credit on stock held at cancellation has to be reversed or paid.
- **Letting the 180 day revocation window lapse** after a system cancellation.
- **Cancelling when suspension was the real answer.** If the business is pausing rather than ending, cancelling and re-registering later costs you the GSTIN and the continuity with customers and the e-way bill system.

What to do now

1. **If you have a dormant registration, deal with it now** rather than after the automatic route is notified. Nothing in the recommendations removes the returns and late fees already accrued.
2. **Reconcile GSTR-1 against GSTR-3B** for every period before you apply, because the automated route depends on it.
3. **Work out the closing stock and the credit on it** before you fill in the form, not inside it.
4. **Diarise the 180 days** from the date of any system cancellation.
5. **Wait for the notification** before relying on automatic acceptance, FORM GST REG-38 or system revocation. The FAQs describe the design, not law in force.

How CSM & Co LLP can help

We can review whether cancellation or suspension is the right answer for a business that is pausing rather than closing, compute the stock and credit position that has to be declared in FORM GST REG-16, bring pending returns and the GSTR-1 against GSTR-3B reconciliation up to the standard the automated route needs, file the final return in FORM GSTR-10, and handle a revocation application in FORM GST REG-21 where a registration has already been cancelled for non-compliance. Please reach out to our team and we will be happy to assist.

Frequently asked questions

When can I apply to cancel my GST registration?

Where the business has been discontinued, closed or fully transferred, where a change in the constitution of the business results in a new PAN, where the business has been amalgamated, demerged or disposed of, or where you are no longer liable to be registered.

Is there a time limit to apply for cancellation?

Yes. The application should be filed within 30 days of the event that warrants cancellation. The exception is the death of a sole proprietor, where no time limit applies.

Which form is used to cancel GST registration?

FORM GST REG-16, filed online on the GST portal under Services, then Registration, then Application for Cancellation of Registration, and verified with a DSC or an EVC.

What must I do before applying?

File every return due up to the date of the application and pay all tax, interest and penalty that has not been stayed by a court, Tribunal or Appellate Authority. If you furnished outward supplies in GSTR-1 or the Invoice Furnishing Facility for a tax period, you must also file GSTR-3B for that period before applying.

Will my cancellation application be accepted automatically?

That is what the GST Council recommended at its 57th meeting. Where you have never passed on input tax credit above ?2.5 lakh in any month since registration and the conditions are met, the system is to accept the application and confirm it in FORM GST REG-38. Where you have crossed that figure, phase 1 requires the final return in FORM GSTR-10 to be filed along with the application, and phase 2 removes even that step.

My registration was cancelled by the system for not filing returns. Can I get it back?

Cure the default, then apply for revocation in FORM GST REG-21 within 180 days of the date of cancellation. The Council recommended that the system restore the registration without an officer having to act.

Official sources

- Press Information Bureau: FAQs on cancellation of GST registration, 09/10/2026
- Press Information Bureau: FAQs on GST registration application, 09/10/2026
- Press Information Bureau: Recommendations of the 57th Meeting of the GST Council, 08/10/2026
- GST Portal

Related reading

- A Comprehensive Guide to GST Registration and Required Documents

Disclaimer

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Related GST reading

- 57th GST Council Meeting (October 2026): Arrest Powers Removed, Faster Refunds and Wider ITC
- GST Registration Application and Amendment (2026): Documents, REG-01, REG-14 and the Automatic Route
- Simplified GST Registration for E-commerce Sellers (2026): Rule 14B, ECO Consent and Warehouse as PPoB
- GST on Waste and Scrap (2026): 2% TDS and Reverse Charge for Plastic, Tyre, E-waste and Used Cooking Oil

Date
25/11/2026
Date Created
10/10/2026
Author
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