

Simplified GST Registration for E-commerce Sellers (2026): Rule 14B, ECO Consent and Warehouse as PPoB

Description

Last updated: 11 October 2026 · Written and reviewed by CA Meet Dhrangadhariya, CSM & Co LLP

Update, 1 November 2026

Rule 14B has since been notified. The Central Goods and Services Tax (Amendment) Rules, 2026 (Notification No. 05/2026-Central Tax dated 26 October 2026) insert rule 14B with effect from **1 November 2026**, and the notified condition is the second of the two readings described below: the person must determine that the total output tax liability on such supplies to registered persons, comprising central tax and State or Union territory tax and integrated tax, other than a person registered on the same Permanent Account Number, does not exceed two lakh fifty thousand rupees per month. The full set of changes made by those rules, and the dates each one starts, is in CGST Amendment Rules 2026: Registration, ITC and Refund Changes.

Quick summary

- A small seller supplying goods through an e-commerce operator can register in a State where it has no physical presence by declaring the operator's warehouse there as its principal place of business, under the proposed rule 14B.
- The scheme is optional, limited to supplies made exclusively through e-commerce operators liable to collect tax at source under section 52, and allows one registration per PAN in a State or Union territory.
- It depends entirely on the operator's consent. The application goes to the operator, who must decide within 7 working days, and no consent means the application is deemed rejected.
- Biometric Aadhaar authentication, photograph, verification of original documents and physical verification of the principal place of business all happen in your home State, not the new one.
- If the operator later withdraws consent and you do not amend within 30 days, or your home State registration is cancelled, the registration is deemed cancelled and communicated in FORM GST REG-38.

A small seller who wants to reach buyers across India through a marketplace has faced an awkward choice.

Hold stock in a platform's warehouse in another State to get faster delivery, and you need a GST registration in that State, which means a place of business there. Do not, and you compete on delivery times you cannot match.

The proposed **rule 14B** removes that choice by letting the platform's own warehouse serve as your principal place of business in that State. The PIB FAQ of 09/10/2026 sets out how it is meant to work, following the 57th GST Council meeting of 08/10/2026.

This is a proposed scheme, not a live one. Rule 14B has to be inserted into the CGST Rules before any of it operates. Nothing here should be built into a warehousing or fulfilment decision until the rule is notified.

What the scheme gives you

- Declare an **e-commerce operator's warehouse** in a State or Union territory where you have **no physical presence** as your **principal place of business** there.
- The scheme is **optional**. A normal registration in that State remains available.
- **One registration against a PAN** in a State or Union territory.
- Registration under it is to be used for supplying goods **exclusively through the operator's platform**.
- It rests on the **operator's prior concurrence** to its warehouse being declared as your principal place of business.
- **Biometric based Aadhaar authentication and physical verification** are mandatory, and they happen in your **home State**.

The conditions

Condition	Detail
Nature of supplies	Goods supplied **only** through e-commerce operators who are required to collect tax at source under **section 52**. Non-ECO supplies cannot be made on this registration
Monetary limit	Total output tax liability of Central tax, State or Union territory tax and integrated tax on supplies made **to registered persons**, other than persons registered on the **same PAN**, must not exceed **?2.5 lakh per month**
Operator's consent	The operator must consent to its warehouse being declared as your principal place of business
Existing registration	You must hold a regular registration other than one under this scheme or under rule 14A

A note on the ?2.5 lakh figure. The FAQ describes the limit in two ways in two different answers: once as sellers “intending to pass ITC less than Rs. 2.5 lakh in a month (excluding stock transfer)”, and once, in the conditions, as the output tax liability on supplies to registered persons excluding same-PAN persons not exceeding ?2.5 lakh a month. Both appeared in the same official document. The second is the one stated as a condition of registration, and that is what the table above records. The notified text of rule 14B has since settled it in the same terms: the condition is the total output tax liability on such supplies to registered persons, excluding supplies to a person registered on the same Permanent Account Number, not exceeding two lakhfifty thousand rupees per month.

How to apply

1. File **FORM GST REG-01** on the common portal for the State or Union territory, opting for registration under rule 14B.
2. Declare the **GSTIN held against the same PAN in your home State**.
3. Give the **address and particulars of the operator’s warehouse** to be declared as the principal place of business in that State, and the details of **any other operator warehouses** in the same State to be declared as additional places of business.

How the application is processed

1. The application is **forwarded on the portal to the operator** whose warehouse is named, for consent. The operator must **decide within 7 working days** of receiving it.
2. On consent, it goes to the **jurisdictional officer of your home State** for biometric based Aadhaar authentication, photograph, verification of original documents and **physical verification of the principal place of business in the home State**, where that has not already been done.
3. On successful verification, registration is **granted electronically by the common portal**.
4. If verification is not successful, the application is **rejected electronically**.

No consent means no registration. If the operator does not give consent, the application is deemed to be rejected. The scheme is only available with the operator’s agreement, so the commercial conversation with the platform comes before the tax filing, not after.

What the certificate shows. The registration certificate carries the details of the operator warehouses declared as principal or additional place of business in that State, together with the address of your principal place of business in the home State.

If you are already on rule 14A

Rule 14A is the separate automatic registration route for applicants not intending to pass on credit above ?2.5 lakh a month. **You cannot sit on both.** If you hold a rule 14A registration in your home State and want rule 14B in another State, you must first file **FORM GST REG-32** to withdraw from the rule 14A option in the home State, and only then apply under rule 14B.

The same form, **FORM GST REG-32**, is used to withdraw from the rule 14B scheme itself.

Amending the registration

What you are changing	What to do

Address of the operator warehouse used as principal or additional place of business	File **FORM GST REG-14**. The consent provisions apply again, and the address stands amended once the operator consents
Anything else on the certificate	File **FORM GST REG-14** under rule 19, and the certificate stands amended to the extent applied for

Your obligations, and the operator's

As the seller:

- **Keep your books at the principal place of business in your home State**, including electronic data, for each registration obtained in different States or Union territories against the same PAN.
- **Produce them when the proper officer of the State where you hold the rule 14B registration asks.** Your records live in one place; the officers entitled to see them do not.
- **If the operator withdraws consent**, file FORM GST REG-14 within **30 days** of the operator's intimation, to change the principal or additional place of business in that State.

As the operator:

- **Decide on a consent request within 7 working days** of receiving the forwarded application.
- **Appoint an authorised representative in each State or Union territory**, to arrange and provide information the tax authorities need from sellers registered under the scheme.
- **Intimate any withdrawal of consent on the common portal.**

When the registration is cancelled

The registration is **deemed cancelled electronically** by the portal, and communicated in **FORM GST REG-38**, in either of two situations:

- the operator **withdraws permission** to use its warehouse as the principal place of business in that State, and you **do not apply to amend** within 30 days; or
- the **registration in your home State**, on the strength of which the scheme registration was obtained, **is cancelled**.

The second is the one to watch. A rule 14B registration is a dependent registration. If the home State registration falls away, every scheme registration built on it falls away with it, automatically and without a separate proceeding.

One small practical mercy

You are **not** required to display the registration certificate or the GSTIN on the name board at the operator's warehouse. That would have been meaningless in a shared fulfilment centre holding stock for hundreds of sellers, and the FAQ says so expressly.

Who should look at this

- **Sellers on marketplaces who currently decline out-of-State fulfilment** because of the registration burden. This is the constituency the scheme is built for.

- **Sellers already holding multiple State registrations purely for platform warehouses.** There may be a case to consolidate once the rule is notified, though the exclusivity condition means the scheme registration cannot carry non-platform sales.
- **Anyone on rule 14A planning to expand**, because the two routes are mutually exclusive and the withdrawal step comes first.
- **Businesses with both B2C and B2B lines.** The monetary limit is tested on output tax on supplies to **registered persons**, so a growing B2B book is what takes you out of the scheme, not retail volume.

What to do now

1. **Do not restructure fulfilment yet.** Rule 14B is not notified.
2. **Talk to your platform about consent** before anything else. The scheme is unavailable without it, and the operator also has to appoint a State representative, which is a real obligation it may take time to put in place.
3. **Check the exclusivity condition against your actual sales mix.** If you sell anywhere other than through operators collecting tax at source, this registration cannot carry those supplies.
4. **Track output tax on B2B supplies monthly**, excluding same-PAN persons, so you know where you stand against the ?2.5 lakh line.
5. **If you are on rule 14A**, plan the FORM GST REG-32 withdrawal as a prior step, not an afterthought.
6. **Keep your home State registration clean.** Everything else depends on it.

How CSM & Co LLP can help

We can assess whether the simplified route or a normal State registration suits your sales mix, test your monthly B2B output tax against the ?2.5 lakh condition, handle the rule 14A withdrawal in FORM GST REG-32 and the rule 14B application and its consent flow, set up record keeping at the home State principal place of business so that records can be produced to any State’s officer on demand, and respond if an operator withdraws consent and the 30 day amendment window starts running. Please reach out to our team and we will be happy to assist.

Frequently asked questions

What does the simplified scheme actually let me do?

Register for GST in a State or Union territory where you have no physical presence, by declaring the warehouse of an e-commerce operator in that State as your principal place of business, so you can hold stock and supply from there without taking premises.

Is it compulsory?

No. It is an optional scheme. A seller who would rather take a normal registration in that State can continue to do so.

What are the main conditions?

You must supply goods only through e-commerce operators required to collect tax at source under section

52; your total output tax liability on supplies to registered persons, other than persons registered on the same PAN, must not exceed ?2.5 lakh a month; and the operator must consent to its warehouse being declared as your principal place of business.

What if the operator does not respond?

The operator must decide within 7 working days of receiving the forwarded application. If consent is not given, the application is deemed to be rejected.

Where does the verification happen?

In your home State. Biometric based Aadhaar authentication, photograph, verification of original documents and physical verification of the principal place of business are carried out by the jurisdictional officer of the home State, where that has not already been done.

I am registered under rule 14A. Can I also use this scheme?

Not at the same time. You must first withdraw from the rule 14A option in your home State by filing FORM GST REG-32, and only then apply under rule 14B in the other State or Union territory.

What happens if the operator withdraws consent later?

The operator must intimate the withdrawal on the portal, and you have 30 days to file FORM GST REG-14 changing the principal or additional place of business in that State. If you do not, the registration is deemed cancelled and communicated in FORM GST REG-38.

Do I have to display my GST certificate at the operator’s warehouse?

No. A person registered under this scheme is not required to display the registration certificate or GSTIN on the name board at the operator’s warehouse.

Official sources

- Press Information Bureau: FAQs on simplified registration schemes for ECO sellers, 09/10/2026
- Press Information Bureau: Recommendations of the 57th Meeting of the GST Council, 08/10/2026

Related reading

- GST Registration Application and Amendment (2026): Documents, REG-01, REG-14 and the Automatic Route
- 57th GST Council Meeting (October 2026): Arrest Powers Removed, Faster Refunds and Wider ITC

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Related GST reading

- GST on Waste and Scrap (2026): 2% TDS and Reverse Charge for Plastic, Tyre, E-waste and Used Cooking Oil
- GST on Services (2026): E-commerce Delivery and Transport, Electric Vehicle Rentals, Helicopter Seats and Foreign Shipping Lines
- e-Invoicing for Reverse Charge Self-Invoices: RCMDOM and RCMIMP Explained (2026)

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meetsoni