

Jest Fake Registrations

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GOVERNMENT

has realised that the menace of fake registrations and issuance of bogus invoices for passing of fake ITC has become a serious problem, as fraudulent people engage in dubious and complex transactions, causing revenue loss to the government.

Various modus operandi of obtaining such fake registrations have been detected by Central and State Tax administrations.

Government has decided that a nation-wide effort in the form of a Special Drive should be launched on All-India basis to detect such suspicious/ fake registrations and to conduct requisite verification for timely remedial action to prevent any further revenue loss to the Government.

Accordingly, the Central Board Indirect Taxes & Customs (CBIC) has issued guidelines for such concerted action on fake dealers/ fake billers in a mission mode. - [[F. No. CBIC- 20/16/05/2023-GST](#)]

[CBIC Instruction No. 01/2023-GST](#) in F. No. CBIC- 20/16/05/2023-GST, dated 04th May, 2023.

Here is a jest summary.

The government has realized that fake registrations and bogus invoices are causing them to lose out on some serious dough, and they're not laughing about it. Scammers are using forged documents like fake electricity bills and rent agreements to obtain GST registration. Some fraudsters even got fake registrations by using the PAN and Aadhaar numbers of unsuspecting people, all under the guise of a government scheme. They're basically stealing people's identities to commit their crimes. Talk about low! And let's be real, these fraudsters are not just engaging in dubious and complex transactions, they're probably having a good laugh while doing it.

So, the government has decided that enough is enough and is launching a Special All-India Drive to detect these suspicious and fake GSTINs from May 16th to July 15th, 2023. During this time, they'll be cracking down on fake dealers and billers with all their might. It's like a nationwide game of hide and seek, but instead of seeking for friends, they're seeking for fraudulent people. Good luck with that!

The government is serious about putting an end to this tomfoolery, and they're not joking around. If it's found that a taxpayer is non-existent and fictitious, then the tax officer will cancel his registration and block the input tax credit. They'll also go after the recipients who wrongly availed of this fake credit. The masterminds behind this whole scheme will be identified, and the government will use all its might to recover the dues.

To identify these fraudulent GSTINs, the GSTN will be using detailed data analytics and risk parameters to identify and share information with the State and Central Tax authorities. And if that's not enough, field formations may also supplement this list by using various available analytical tools, Aadhaar database, other local learnings, and the experience gained through the past detections and modus operandi alerts. That's like saying they're bringing out the big guns to catch these guys.

And if you thought that was all, they're also appointing a nodal officer in each of the Zonal CGST Zones and States to ensure seamless flow of data and for coordination with GSTN/DGARM and other tax administrations. It's like a mini army to catch these fake dealers and billers. Watch out, scammers!

On receipt of data from GSTN/DGARM through the Nodal Officer, a time-bound exercise of verification of the suspicious GSTINs shall be undertaken by the jurisdictional tax officer(s). And if they're found to be non-existent and fictitious, the tax officer may immediately initiate action for suspension and cancellation of the registration.

And if any input tax credit has been passed by such non-existing taxpayer, the details of the recipients may be identified through the details furnished by the said fraud taxpayer. Where the recipient GSTIN pertains to the jurisdiction of the said tax authority itself, suitable action may be initiated for demand and recovery of the input tax credit wrongly availed by such recipient. It's like a chain reaction of catching these guys and making them pay up!

Overall, it's like the government is saying,

"Okay, we've had enough of your funny business, you, fraudsters! We're going to catch you and make you pay!"

And honestly, we can't help but applaud them for it. Good luck, government!

Listen up, people of India! We've got a serious problem on our hands. There are some real sneaky fraudsters out there who are faking GST registrations and issuing bogus invoices. They're causing some major revenue loss for the government! Can you believe it? It's like they think they can just get away with it!

Some of these fraudsters are using all sorts of trickery to get their fake registrations. They're even going as far as forging documents like electricity bills, property tax receipts, and rent agreements! Talk about being extra!

But don't worry, our brilliant tax authorities have caught on to their schemes. They've even found out that some of these scammers have been using the Aadhaar number and PAN of unsuspecting people from economically weaker sections.

So, to combat these shady characters, the Central and State Tax authorities have decided to launch a Special Drive from May 16th to July 15th, 2023. They're going to be all over these fake GSTINs like a rash!

They've even come up with a bunch of fancy tools like BIFA, ADAIT, and NIC Prime to catch these fakers red-handed. And, they're also using human intelligence and the Aadhaar database to sniff out these scammers.

But wait, there's more! They're also appointing Nodal officers to coordinate between the different tax authorities and to make sure that all the data flows seamlessly. These officers will be the glue that holds everything together, so don't mess with them!

If they do catch these fakers, they're going to cancel their GST registration and block their input tax credit. And, if they find out that someone else was in on the scam, they'll go after them too! They're not messing around.

So, to all you, scammers out there, beware! The tax authorities are coming for you, and they won't stop until they've caught every last one of you. Game over, fakers!"

But what are we up to?

Is this going to be another reporting service? Are we going to just gather data and submit nil reports? Why can't we address the issue at its roots? Even after six years of GST can't we have a proper digital system to address this problem? Can't the whole system be electronically managed? Can't we have a system whereby the input tax credit is allowed only if the tax is paid by the supplier? As soon as the supplier pays the tax, it can be credited to the recipient's credit register online and immediately. Why do we have a mega GSTN, if they can't do it? Can't we use technology? Banks are doing it, Railways are doing it, Amazon is doing it and even the other tax department, CBDT is doing it. Only the GST department is running after fake registered persons on the road in government hired vehicles after giving them ample opportunity to do fake business. Why?

Do they need a lesson in digital transformation " should we send them a fax to let them know? Why do we need a digital system when we can just use carrier pigeons to deliver our tax reports? It's eco-friendly and adds a personal touch!

I don't understand why they can't just hire a team of psychic detectives to track down these fake businesses. That would save us all a lot of time and effort! If we can't figure out how to manage our system, maybe we should just outsource it to a group of tech-savvy toddlers. They seem to know their way around iPads better than most adults!

Is our motto is 'why fix it when you can just complain about it?' Is GSTN just a fancy acronym for 'Great System, Terrible Navigation.'?

Is our idea of 'digital transformation' just printing out all the spreadsheets and stapling them together. I think we need to upgrade technology from a dial-up modem to something more modern, like Wi-Fi.

If the GSTN was a student, their report card would say **"Needs Improvement"**

in big red letters. Are we stuck in the Stone Age, while everyone else is in the Digital Age? It's like we are trying to catch fish with a fork. Sure, we might catch one or two, but doesn't seem to be a very effective method.

Are we trying to put out a fire with a squirt gun. Sure, it's better than nothing, but it's not going to do much to solve the problem. Maybe GST just needs to embrace the power of positive thinking. If they believe hard enough, maybe the tax evaders will just pay up on their own.

Until Next week