



E-INVOICING



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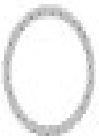
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INTRODUCTION-

- ❑ The GST council in its 37th meeting held on 20th Sept 2019 has introduced and approved 'E-invoicing' or 'electronic invoicing' in a phased manner for reporting of business to business (B2B) invoices format to GST System.
- ❑ Notification 68/2019 Central Tax Dated 13-12-2019 amended the Rule 48 to prescribe the notified class of registered persons shall be required to issue GST invoice containing particulars in Form INV-01
- ❑ E Invoicing would be compulsory effective from 1st April 2020 for Registered person, whose aggregate turnover in a financial year exceeds one hundred crore rupees.
- ❑ Rule 46 of the Central Goods and Services Tax Rules was amended by Notification No.31/2019-CT dtd.28-06-2019 requiring the tax invoice to have Quick Response (QR) code. This provision shall become application from 01-04-2020 as per Notification 71/2019Central Tax, dt. 13-12-2019.
- ❑ Notification 72/2019 Central Tax, dt. 13-12-2019 notified in following cases QR code would be mandatory - Supplier is a registered person, whose aggregate turnover in a financial year exceeds five hundred crore rupees AND Supply is made to an unregistered person (B2C Invoice)

INVOICE



Horizontal lines representing text or data fields on the invoice document.

**WHAT IS AN
E-INVOICE?**

WHAT IS E-INVOICING?

- ❑ E-invoice does not mean generation of invoices from a Central portal of tax department, as any such centralization will bring unnecessary restriction on the way trade is conducted.
- ❑ There are numerous accounting/ billing software for generation of invoices but they all use their own formats to store information electronically and such invoices data can't be understood by the GST System.
- ❑ This arose a need to standardize the format in which electronic data of an Invoice will be shared with others to ensure there is interoperability of the data.
- ❑ The adoption of standards will in no way impact the way user would see the physical (printed) invoice or electronic (ex pdf version) invoice.
- ❑ All the softwares would adopt the new e-Invoice standard wherein they would re-align their data access and retrieval in the standard format.
- ❑ Thus the taxpayer would continue to use his accounting system/ERP or excel based tools or any such tool for creating the electronic invoice as s/he is using today.

WHAT IS E-INVOICING?

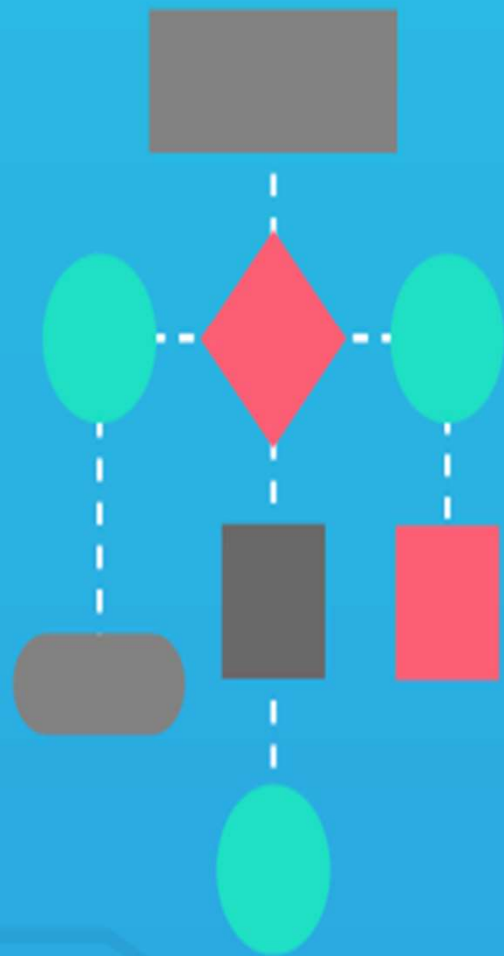
- ❑ To help small taxpayers adopt e-invoice system, GSTN has empanelled Eight accounting/ billing software which provide basic accounting and billing system free of cost to small taxpayers.
- ❑ Those small taxpayers who do not have accounting software today, can use one of the empanelled software products, which come in both flavors-
 - Online (cloud based)
 - Offline (installed on the computer system of the user).
- ❑ Generation of e-invoice will be the responsibility of the taxpayer who will be required to report the same to Invoice Registration Portal (IRP) of GST, which will generate a unique Invoice Reference Number (IRN) and digitally sign the e-invoice and also generate a QR code.
- ❑ The QR Code will contain vital parameters of the e-invoice and return the same to the taxpayer who generated the document in first place. The IRP will also send the signed e-invoice to the recipient of the document on the email provided in the e-invoice.

Benefits of electronic invoicing



BENEFITS-

Objectives	Outcome
Better Tax Payer Services	<ul style="list-style-type: none">➤ One time reporting on B2B invoice data and details would be fetched for GSTR-1 and also for e-way bill.➤ To ANX-1 and ANX-2 from this data to keep the returns like RET 01, etc ready for filing under New Return.➤ Substantial reduction in input credit verification issues as same data will get reported to tax department as well to buyer in his inward supply.➤ On receipt of information through GST System, buyer can do reconciliation with his Purchases and accept/reject in time under New Return.
Reduction of Tax Evasion	<ul style="list-style-type: none">➤ Complete Trail of B2B Invoices➤ System level matching of input credit and output tax
Efficiency in Tax Administration	<ul style="list-style-type: none">➤ Elimination of Fake Invoices



What is a Workflow?

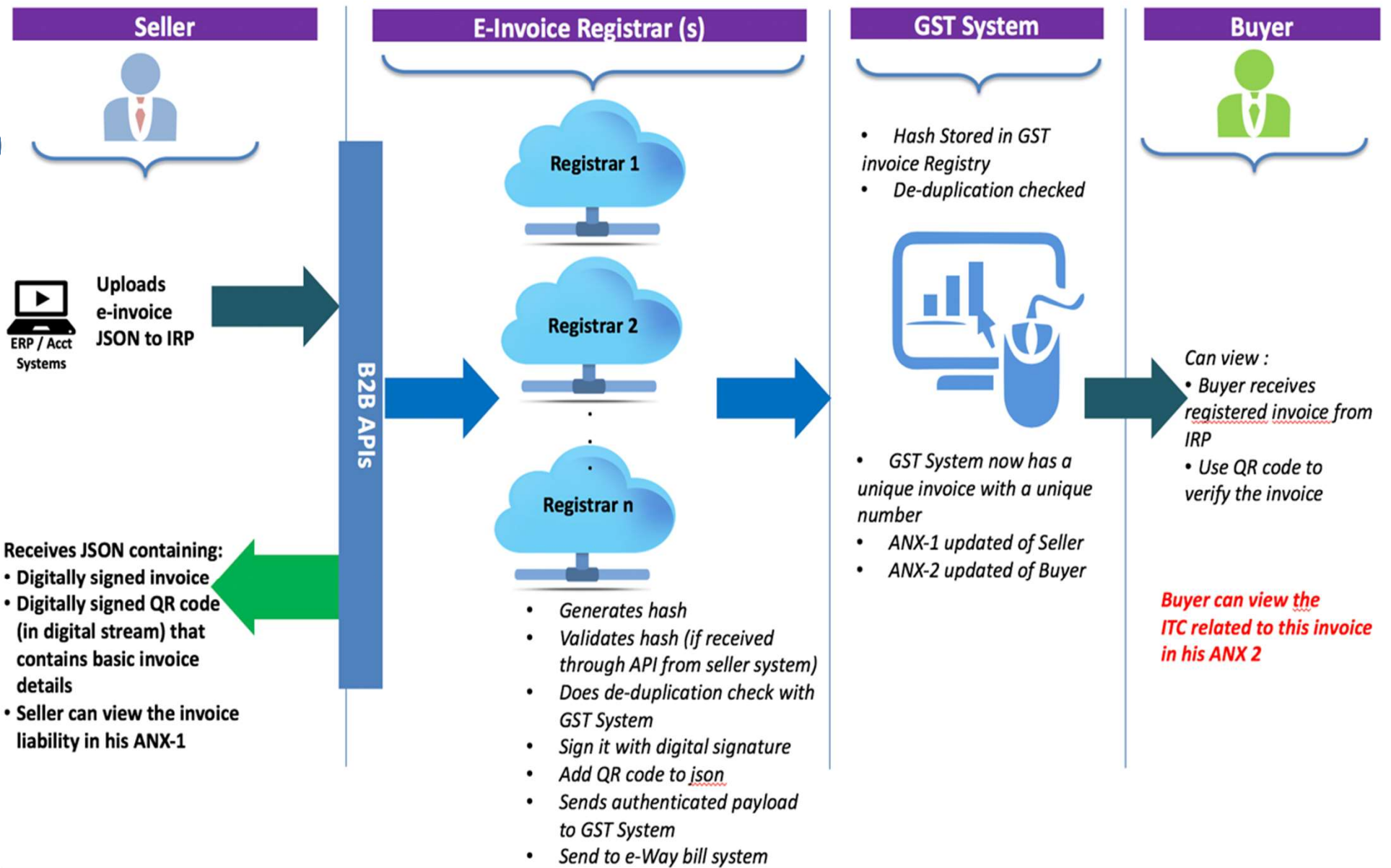
A Simple Guide to Getting Started

WORKFLOW-

- ❑ The flow of the e-invoice generation, registration and receipt of confirmation can be logically divided into two major parts.
 - Part A: Flow from Supplier (commonly known as seller) to IRP.
 - Part B: Flow from IRP to GST System/E-Way Bill System & Buyer

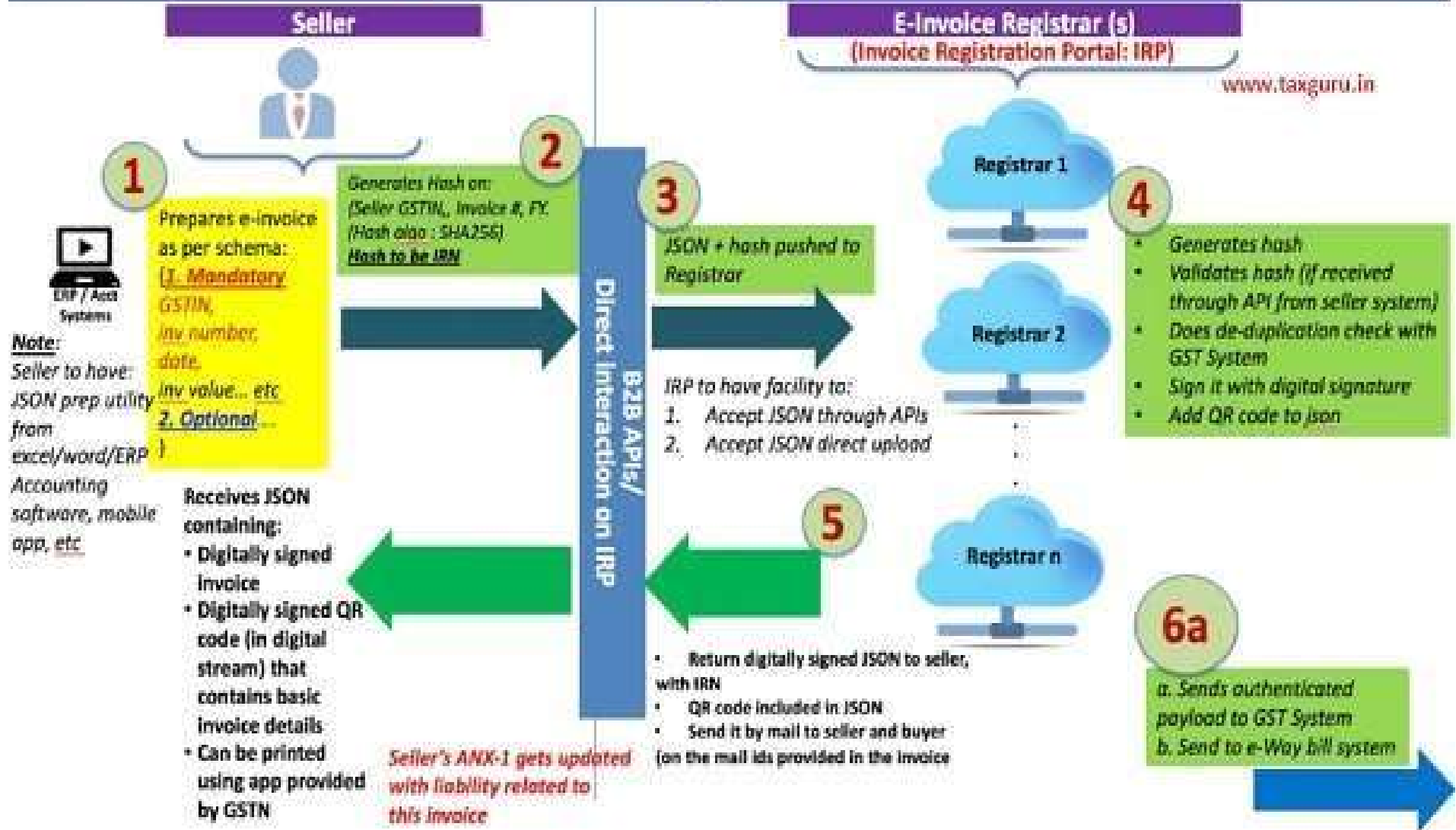
- ❑ The workflow is depicted diagrammatically below-

WORKFLOW-

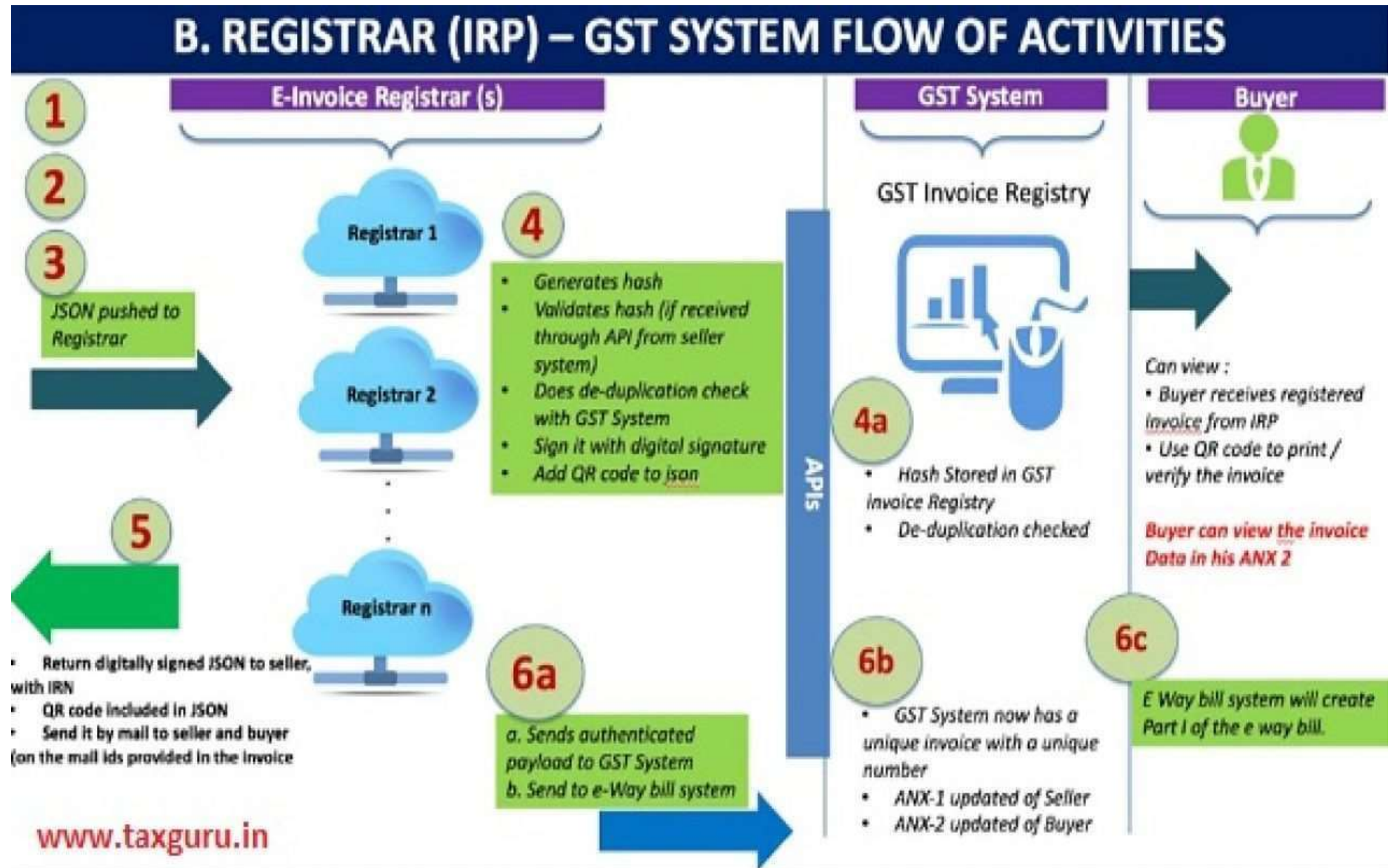


Part A- Flow from supplier to IRP-

A. SELLER – REGISTRAR (IRP) FLOW OF ACTIVITIES



Part B- Flow from IRP to GST System -



FEATURES-

- ❑ Generation of unique Invoice Reference Number (IRN)
- ❑ Digital Signing by e-Invoice Registration Portal
- ❑ Generation of QR Code
- ❑ Offline Application
- ❑ Multiple Registrar for IRN System
- ❑ Standardization of Invoice



FAQ'S



FREQUENTLY ASKED QUESTIONS-

Q1. Will businesses now be required to generate e-invoices on the GST portal or the e-invoice portal or the IRN portal?

- ✓ No, Businesses will continue to generate e -invoices on their internal systems - whether ERP or their accounting / billing systems or any other application.
- ✓ The e-invoicing mechanism only specifies the invoice schema so as to be interoperable amongst all accounting / billing software and all businesses.

Q2. How long will the e-invoice generated will be available at the Government portal ?

- ✓ It will be generated only at the seller's system - whether ERP or the accounting/ billing system/ other software tools of the seller.
- ✓ It will be uploaded on IRP which push it to the GST ANX-1, only once it has been validated and registered by the IRP. After it has been validated and is available in the ANX-1 , it will be visible to the counter party in his ANX-2.
- ✓ Thereafter it will be visible and available for the entire financial year and archived . As far as data for IRP is concerned , it will be kept there only for 24 Hours.
- ✓ The e-invoice can be accessed by the authorized parties (seller/buyer/tax officer) on the GST system on their login.

FREQUENTLY ASKED QUESTIONS-

Q3. Will it be possible for bulk uploading of invoices for e-invoicing as well?

- ✓ Invoices have to be uploaded on IRP one at a time.
- ✓ The IRP will be able to handle a large sequence of invoices for registration and validate them.

Q4. Will there be a time limit for e-invoice uploading for registration?

- ✓ Yes, that will be notified by the Government. Without registration of e-invoice the same will not be valid. Required changes will be made in the law.
- ✓ Once uploaded to the invoice registration portal (IRP), it will be registered immediately, on real-time basis.

Q5. Whether e-invoice generated is also required to be signed again by the taxpayer ?

- ✓ The invoice will be digitally signed by the IRP after it has been registered. The signed e-invoice along with QR code will be shared with creator of document as well as recipient

FREQUENTLY ASKED QUESTIONS-

Q6. Whether e-invoices generated through GST system can be partially/fully cancelled?

- ✓ E-Invoice can't be partially cancelled. It has to be fully cancelled.
- ✓ This will have to be reported to IRN within 24 hours. Any cancellation after 24hrs could not be possible on IRN, however one can manually cancel the same on GST portal before filing the returns.

Q7. How would amendments be allowed in e-invoice ?

- ✓ Amendments to the e-invoice will be allowed on GST portal as per the provisions of GST law. All the amendments to the e-invoice will be done on GST portal only.

Q8. Clarify whether exports would require e-invoice compliance ?

- ✓ Yes, the e-invoice schema also caters to the export invoices as well.
- ✓ In this case, GSTIN of buyer located in another country will not be there.

FREQUENTLY ASKED QUESTIONS-

Q9. With the introduction of e-invoices, what are the documents need to be carried during transit of goods?

- ✓ For transportation of goods, the e-way bill will continue to be mandatory, based on invoice value guidelines, as hitherto fore. This aspect will be notified by the Government when this mechanism will be notified

Q10. Will the industry be provided sufficient time for preparation?

- ✓ Yes.
- ✓ The e-invoice mechanism is expected to be rolled out in phases from 01st January 2020 on voluntary basis.
- ✓ Initially, the e-invoice mechanism will be allowed for tax payers above a certain turnover or above a certain invoice value or also to volunteers.
- ✓ Subsequently, it will be enabled for all tax payers in a phased step-wise manner.
- ✓ Details of these will be published subsequently.

THANK YOU

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