

Tax alert: CBIC notifies e-invoicing effective from 01 April 2020

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Summary

The GST Council, in its 35th meeting, had decided to implement a system of e-invoicing, which will be applicable to specified categories of persons. In this regard, the Central Board of Indirect Taxes and Customs (CBIC) has now notified effective date and various changes for implementation of the new system.

Key changes notified

New provisions¹ inserted under the GST law²

- E-invoice shall be prepared by a registered person whose aggregate turnover in a financial year exceeds INR 100 crore in respect of supply of goods or services or both to a registered person effective from 01 April 2020.
- E-invoice shall be prepared in **Form GST INV-01** after obtaining an Invoice Reference Number by uploading information contained therein on the Common GST Electronic Portal.
- Every invoice issued by a person covered above in any manner other than e-invoice shall not be treated as an invoice.
- Provisions prescribing triplicate/duplicate copy of invoice for supply of goods/services shall not apply to e-invoice.

Common GST Electronic Portal³

The following have been notified as Common GST Electronic Portal for the purpose of preparation of e-invoice:

• www.einvoice1.gst.gov.in	• www.einvoice6.gst.gov.in
• www.einvoice2.gst.gov.in	• www.einvoice7.gst.gov.in
• www.einvoice3.gst.gov.in	• www.einvoice8.gst.gov.in
• www.einvoice4.gst.gov.in	• www.einvoice9.gst.gov.in
• www.einvoice5.gst.gov.in	• www.einvoice10.gst.gov.in

Class of registered person who shall prepare invoice⁴

Registered person whose aggregate turnover in a financial year exceeds INR 100 crore shall prepare e-invoice in respect of supply of goods or services or both to a registered person effective from 01 April 2020.

Quick response (QR) code

- **Appointed date for implementing⁵:** The CBIC has appointed 1 April 2020 as the date vide which provision⁶ empowering the government to prescribe the QR code shall come into force.

¹ New Rule 48(4), (5) and (6) in Central Goods and Services Tax Rules, 2017 [CGST Rules]

² Notification No. 68/2019 – Central Tax dated 13 December 2019

³ Notification No. 69/2019 – Central Tax dated 13 December 2019

⁴ Notification No. 70/2019 – Central Tax dated 13 December 2019

⁵ Notification No. 71/2019 – Central Tax dated 13 December 2019

⁶ Of Notification No. 31/2019 – Central Tax dated 28 June 2019

- **Applicability of QR code⁷:** An invoice issued by a registered person whose aggregate turnover in a financial year exceeds INR 500 crore to an unregistered person (B2C invoice) shall have a QR code. Further, where such person makes a dynamic QR code available to the recipient through a digital display, such B2C invoice containing cross-reference of the payment using a dynamic QR code shall be deemed to be having a QR code.

Our comments

The rollout of the new system is fast approaching and businesses should now commence executing the requisite changes in their IT processes to be ready for this new system. It is also pertinent to mention here that the system is also proposed to be expanded to lower thresholds and subsume e-way bill in the future.

⁷ Notification No. 72/2019 – Central Tax dated 13 December 2019

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