

TAX INFO

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Latest update on GST Law: Information regarding **E-Invoicing** based on the **Notification 61/2020-CT dated 30.07.2020**

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'E-invoicing' or 'electronic invoicing' is a system where in the tax payer will upload his invoice details and register his supply transaction on the Government Invoice Registration Portal (IRP) and get the Invoice Reference Number (IRN) generated by the IRP system.

The tax payer will first prepare and generate his invoice using his ERP/accounting system or manual system and then upload these invoice details to IRP and get the unique reference number, known as IRN.

E-invoice system consists of two important parts:

- a) Generation of invoice in standard format so that invoice generated on one system can be read on another system
- b) Reporting of e-invoice to a central system

GST Council approved the standard of e-invoice in its **37th meeting** held on 20th September, 2019. E-invoicing would be started on voluntary basis by taxpayers whose aggregate turnover in the preceding F.Y. is more than Rs. 500 cores. Common Portal for e-invoice generation will be <https://einvoicel.gst.gov.in>.

Earlier, taxpayers having aggregate turnover above Rs 100 Crores in previous Financial Year have to mandatory issue e-invoice. But as per **Notification No. 61/2020 (CGST) dated 30.07.2020**, the threshold for e-invoicing has been increased to aggregate turnover exceeding Rs. 500 crores the preceding or current financial year.

Note: Aggregate turnover is as defined under GST Law, which is at the PAN level and not at GSTIN level.

As per **Notification No. 13/2020 (CGST) dated 21.03.2020**, date of implementation of e-invoicing has been extended to 01.10.2020 and certain class of persons are exempted from issuing e-invoice:

- a) Insurer/Banking Company/ Financial institution including NBFC
- b) Goods transport agency
- c) Supplier supplying passenger transportation service.
- d) A registered person supplying services by way of admission to exhibition of cinematograph films in multiplex screens.
- e) SEZ units

Documents to be reported are:

- a) Business to Business Invoice
- b) Business to Government Invoices
- c) Export Invoices
- d) Reverse Charged Invoices
- e) Credit Notes
- f) Debit Notes

B2B GST Supplies and Export Invoices, Credit and Debit Notes issued by notified class of taxpayers are currently covered under e-invoice. E-invoicing is not applicable to B2C invoices.

Hence, e-invoicing will also facilitate standardisation and inter-operability leading to reduction of disputes among transacting parties, improve payment cycles, reduction of processing costs and thereby greatly improving overall business efficiency.

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