



MAZARS

E-INVOICING UNDER GST





WHY E-INVOICING?

E-invoicing is increasingly mandated by Governments across the world, particularly due to **tax** evasion

Real time invoice reporting discourages subsequent fraudulent changes/ negligence

Efficient and Effective Tax Administration

Auto transmission of data enables system level matching of Input Tax Credit and Output Tax

WHAT IS AN E-INVOICE ?



WHAT IS E-INVOICING?

E-invoicing does not mean generation of invoices from electronic portal run by the Government or Tax Department



E-invoicing system ensures interoperability of the data. It is a system whereby a document generated by one ERP can easily be read by another ERP

Electronic invoicing (E-Invoicing) is a form of electronic billing

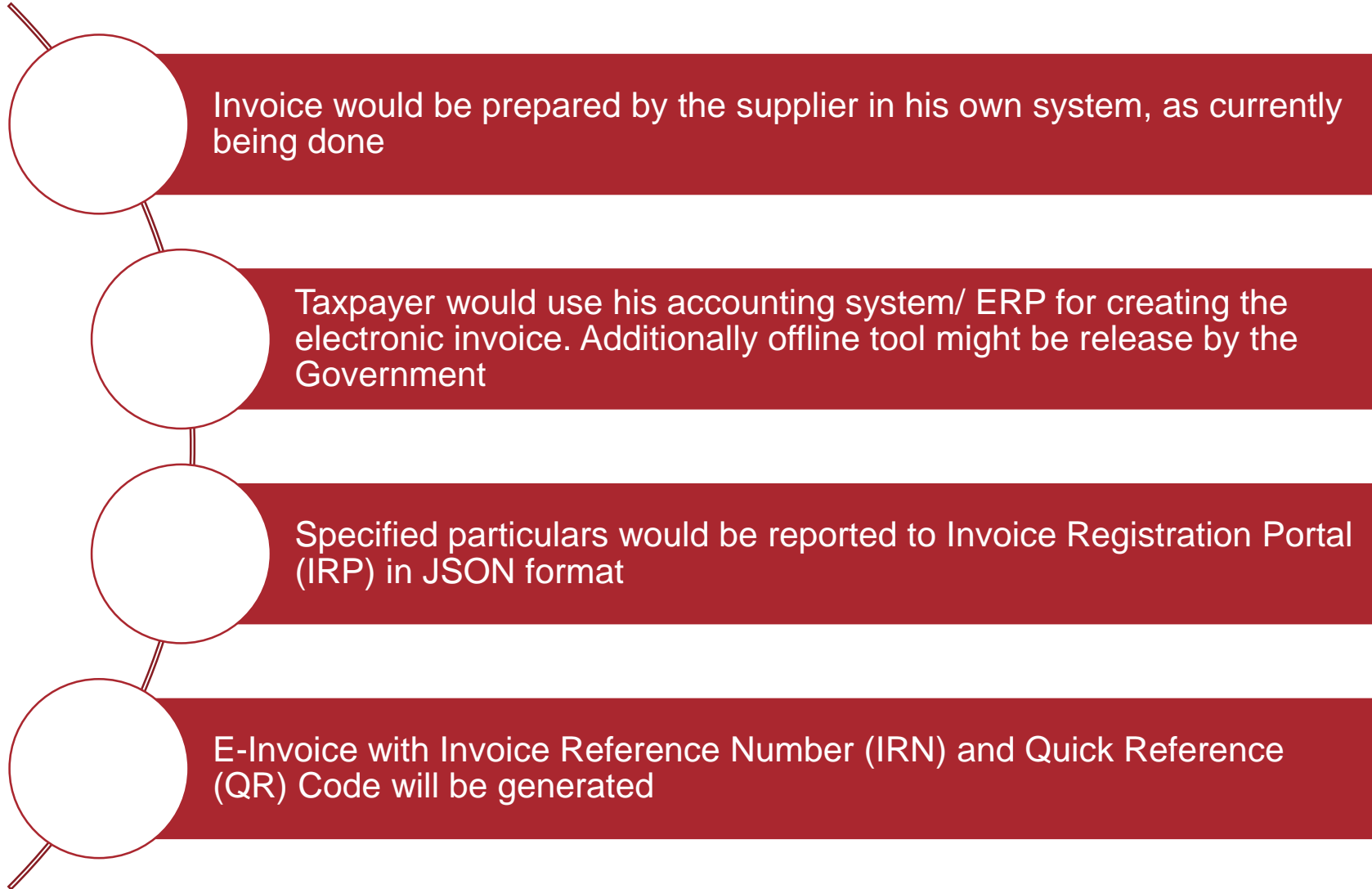
E-invoicing methods are used by trading partners, such as customers and their suppliers, to present and monitor transactional documents between one another and ensure the terms of their trading agreements are being met (*Source: Wikipedia*)

E-INVOICE UNDER GST





PROPOSED E-INVOICING UNDER GST

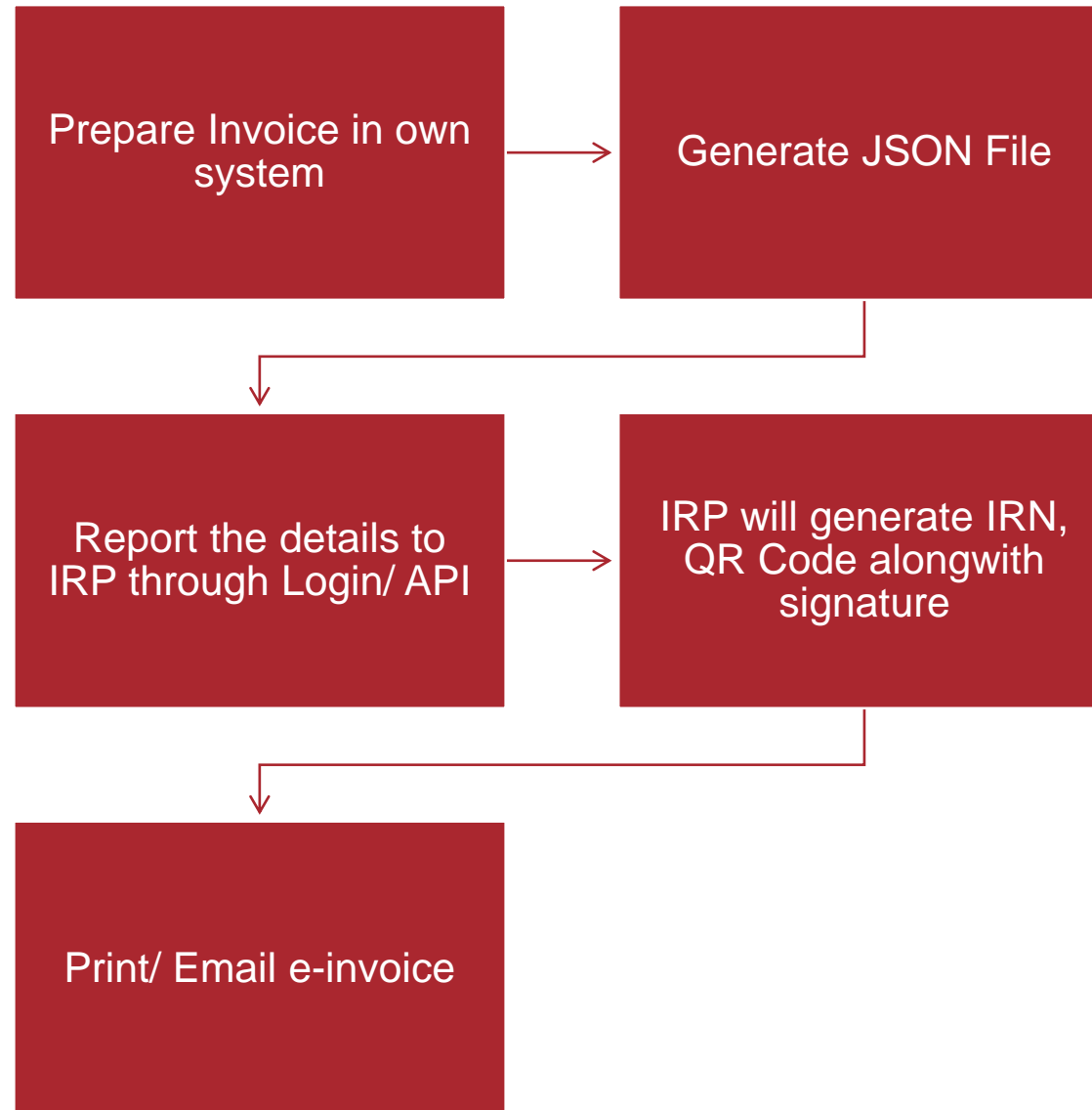


HOW TO PREPARE AN E-INVOICE

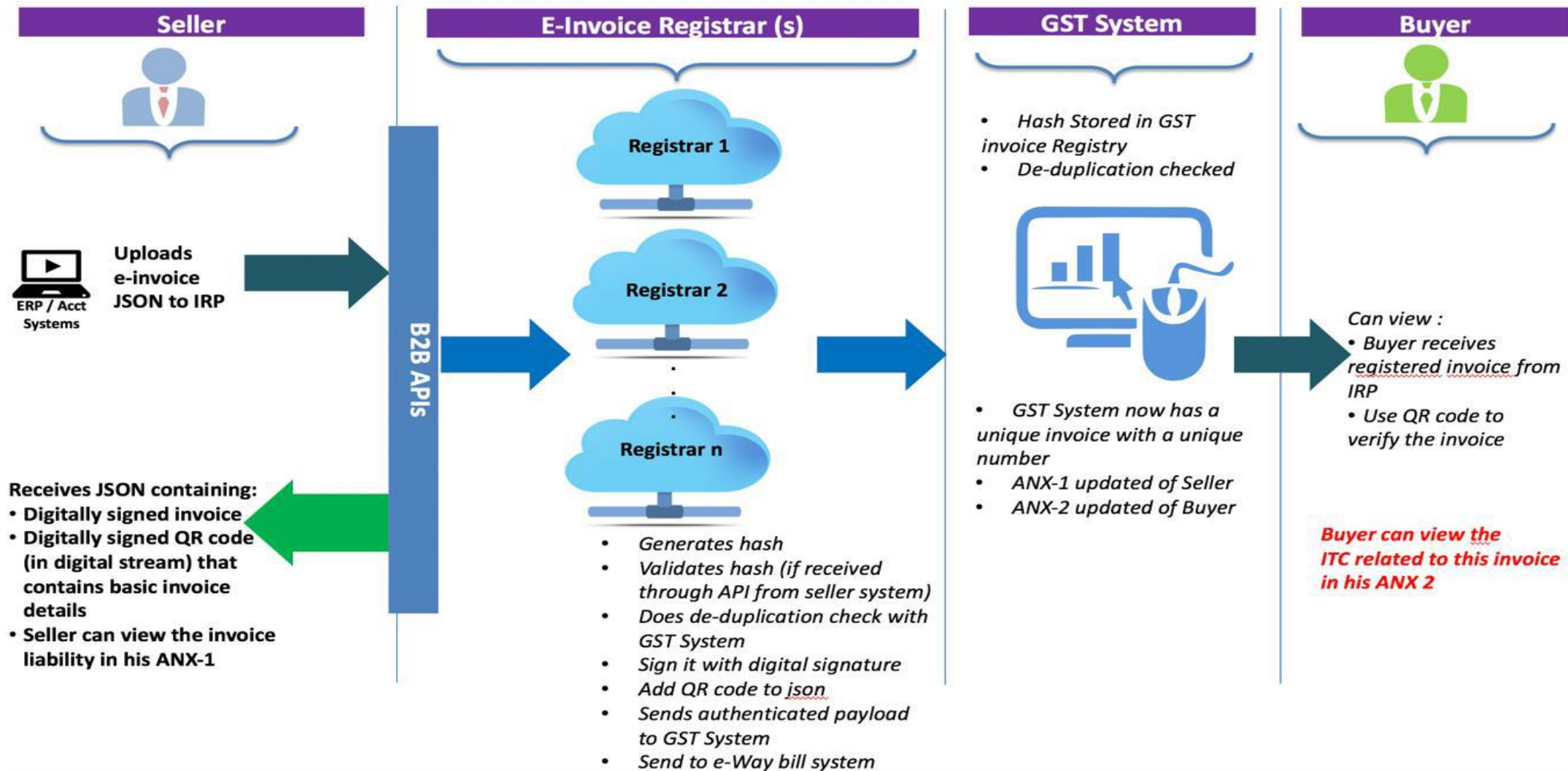




PROCESS OF GENERATING AN E-INVOICING UNDER GST



E-INVOICING WORKFLOW



Source: Final-publishing-e-invoice - with FAQs v2 released by Government



INVOICE REGISTRATION PORTAL (IRP)

Generation of e-invoice on IRP will be responsibility of the taxpayer

Taxpayer to upload the details of invoice especially mandatory fields onto the IRP using the JSON file

IRP will validate the key details of the B2B invoice, check for any duplications and generate an Invoice Reference Number (IRN) (hash), digitally sign the invoice and create a Quick Response (QR) code

A taxpayer can continue to print/ email the e-invoice as being done presently with logo

IRP will send the authenticated payload to GST portal for GST returns
(data will be autopopulated in GST return Annx-1)



PORTALS FOR E-INVOICING

Ten portals for uploading invoice information have been specified such as:

- www.einvoice1.gst.gov.in
- www.einvoice2.gst.gov.in.
- www.einvoice3.gst.gov.in
-
-
- www.einvoice10.gst.gov.in, etc.



QUICK RESPONSE (QR) CODE

QR code is the trademark for a type of matrix barcode (or two-dimensional barcode). A barcode is a machine-readable optical label that contains information about the item to which it is attached. (*Source: Wikipedia*)

Through QR code, following information will be made available

GSTIN of the Supplier

GSTIN of the Recipient

Invoice number as given by Supplier

Date of generation of invoice

Invoice value (taxable value and gross tax)

Number of line items

HSN Code of main item (the line item having highest taxable value)

Unique Invoice Reference Number (hash)



MANDATORY FIELDS IN AN E-INVOICE

Following details will be required in an E-invoice

- Name of the Supplier
- GSTIN of the Supplier
- Address of the Supplier
- Name of the Buyer
- GSTIN of the Buyer
- Address of the buyer
- Address of Delivery
- Invoice Type
- Invoice Number and Date
- Amount and Tax
- Quantity, etc.



INTRODUCTION OF E-INVOICING – WHEN?

OPTIONAL

January 01, 2020

– If aggregate turnover is more than **INR 500 crore**

February 01, 2020

– If aggregate turnover is more than **INR 100 crore**

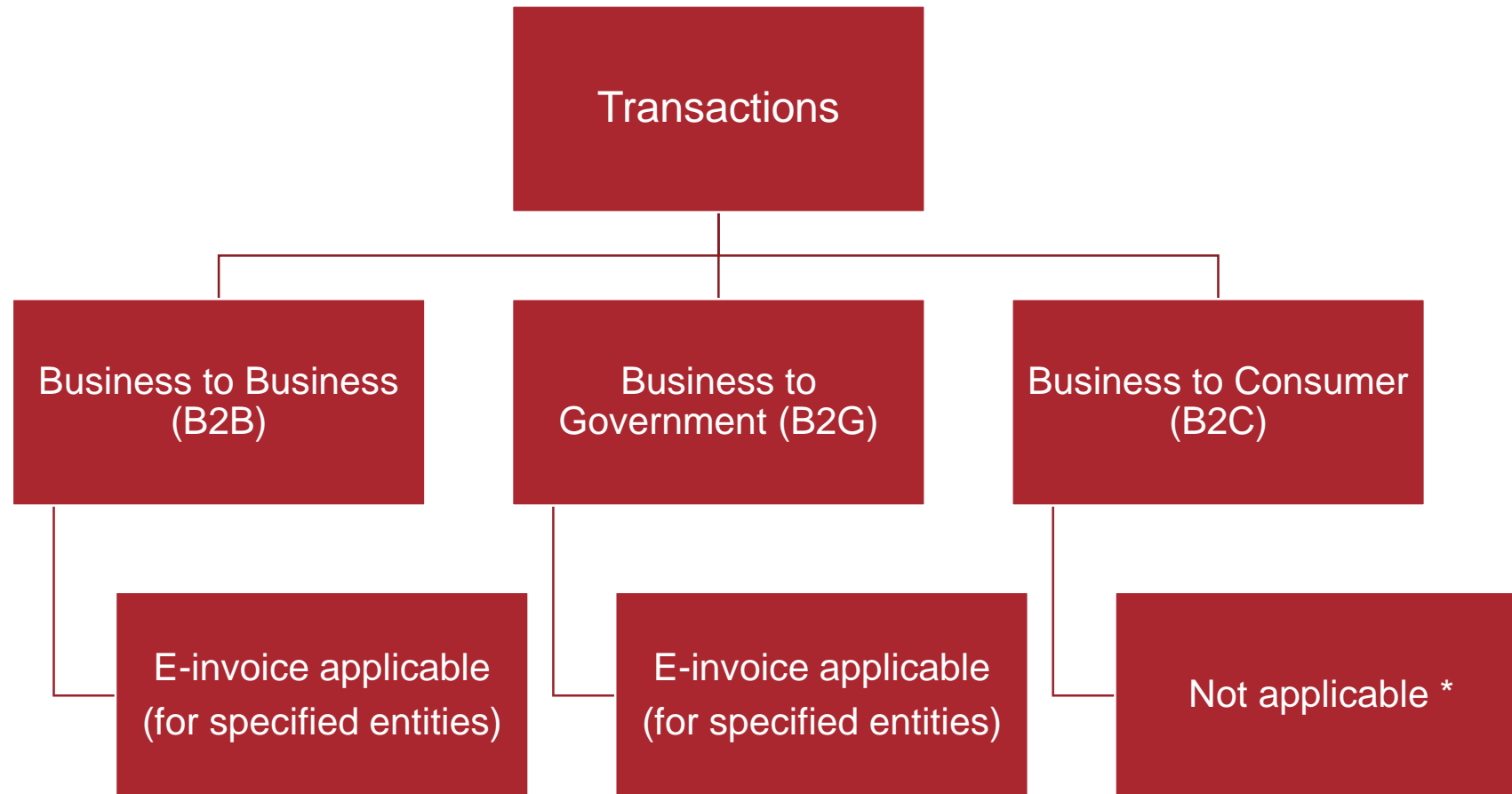
MANDATORY

April 01, 2020

– If aggregate turnover is more than **INR 100 crore**



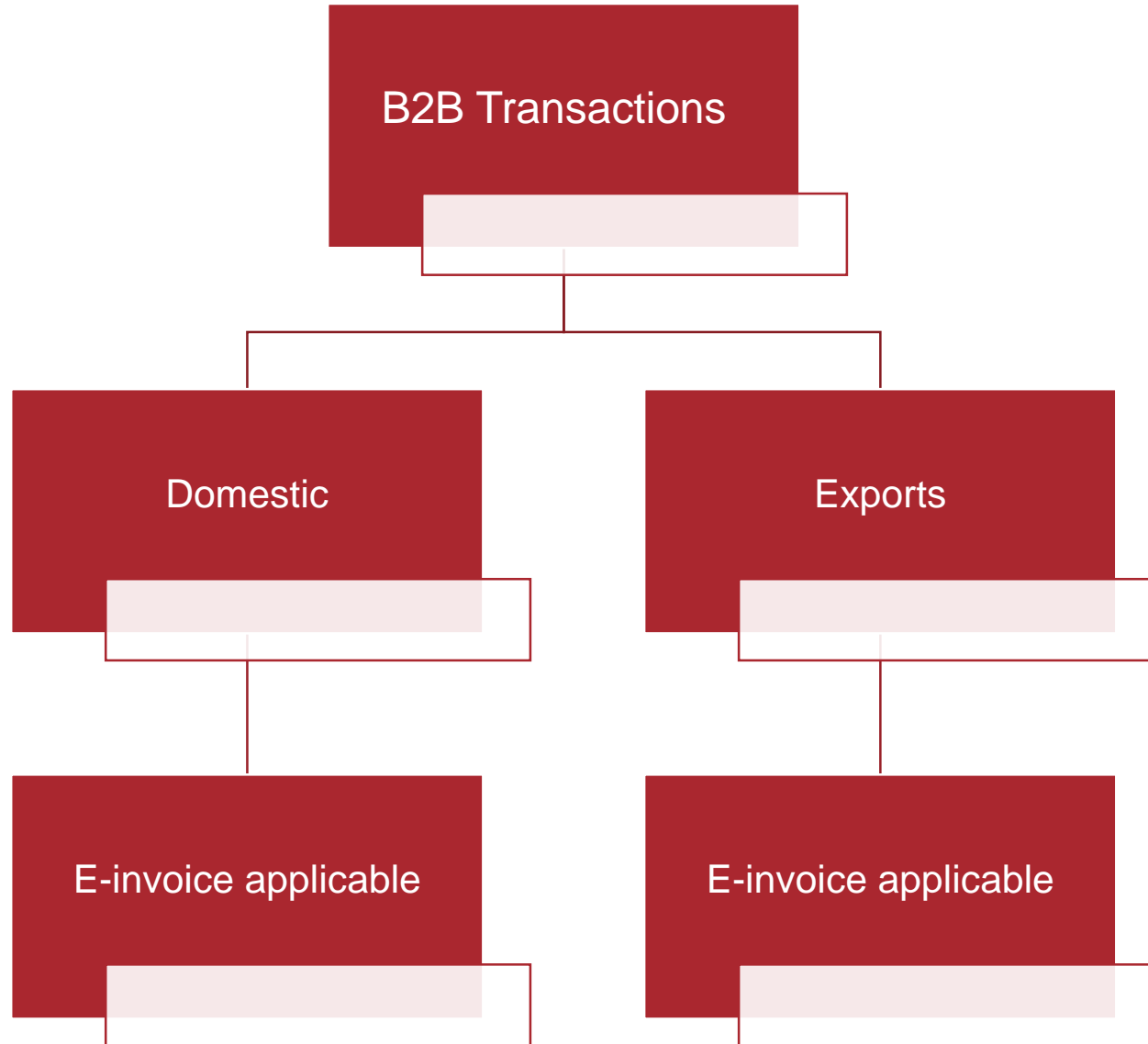
E-INVOICING – TYPES OF TRANSACTIONS



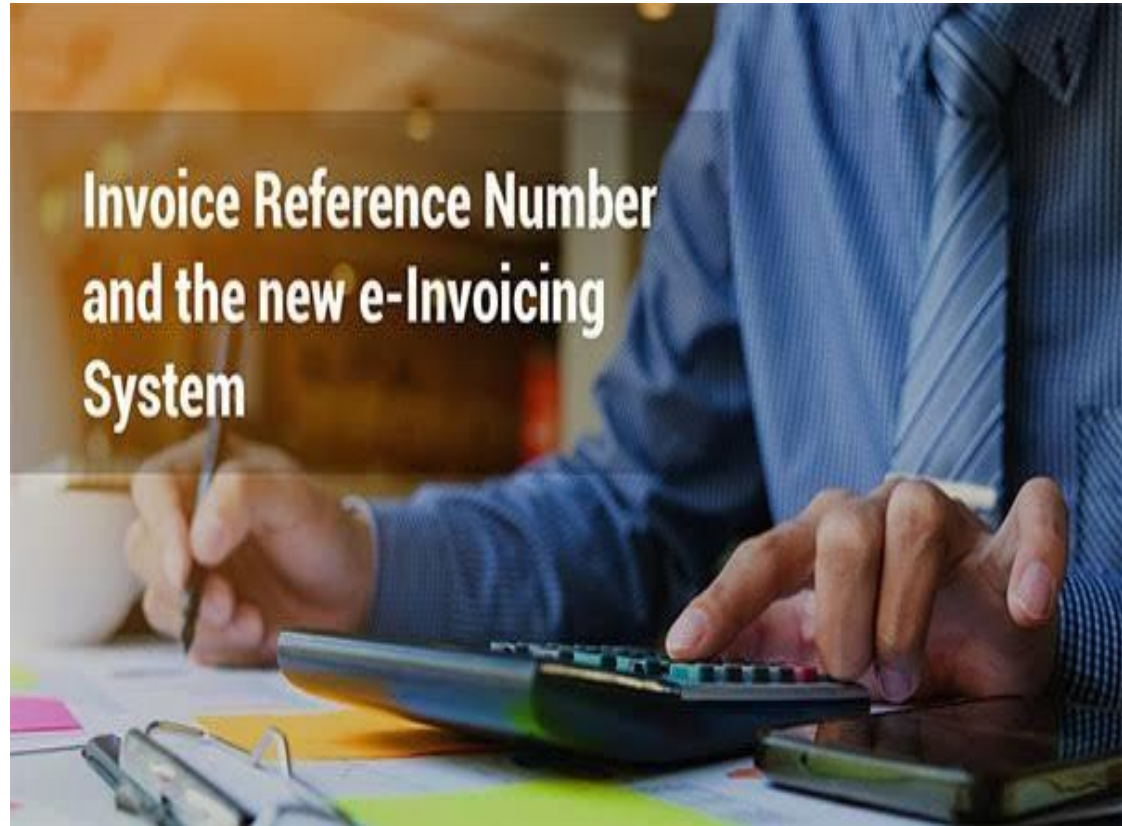
**An invoice issued by a registered person, whose aggregate turnover exceeds INR 500 crore, to an unregistered person (B2C invoice), shall have QR code*



E-INVOICING – TYPES OF TRANSACTIONS



INVOICE REFERENCE NUMBER (IRN)



MECHANICS OF E-INVOICING SYSTEM

The unique IRN will be based on the computation of hash of GSTIN of the generator of document **The hash will be the IRN**

The invoice data will be uploaded on the IRP, which will also generate the hash

The IRP will sign the e-invoice along with hash and the e-invoice signed by the IRP will be a valid e-invoice and used by GST/E-Way bill system.

Cancellation of an IRN is permitted only within 24 hours from invoice generation

System will automatically record a cancelled e-invoice

Mechanics of E-invoicing system

The IRP will also generate a QR code containing the unique IRN (hash). along with some important parameters of invoice

Amendments to the e-invoice are allowed on GST portal as per provisions of GST law

It will be possible for both the seller as well as the buyer to print the invoice, using the QR code

IRP System after registering the invoice, will send the same to the email address of recipient





MODES OF GENERATING IRN

ERP-GSP

Taxpayers can generate IRN through any third party service provider

Web based

Medium/small taxpayers can log on to e-invoice electronic portal to generate IRN

SMS based

IRN can be generated through SMS facility linked to central portal

Mobile App API

IRN can be generated through a Mobile app linked to central portal

Offline tool

Offline tool will be provided to key-in data of invoice and submit the same

API based

Taxpayers having ERP can generate IRN after passing data through JSON



E-INVOICING - BENEFITS & CHALLENGES





E-INVOICING – BENEFITS & CHALLENGES

BENEFITS

- E-invoice resolves and plugs a major gap in data reconciliation under GST to reduce mismatch errors
- E-invoices created on one software can be read by another, allowing interoperability and help reduce data entry errors
- Real-time tracking of invoices prepared by the supplier is enabled by e-invoice
- Backward integration and automation of the tax return filing process – the relevant details of the invoices would be auto-populated in the various returns, especially for generating the part-A of e-way bills
- Faster availability of genuine input tax credit
- Lesser possibility of audits/ surveys by the tax authorities since the information they require is available at a transaction level

CHALLENGES

- One more portal
- One more Compliance
- Taxpayer to check whether e-invoice is generated; whether details are reflecting in e-waybill; check whether the details are auto populated in ANX-1, etc.
- No option for tax payer below INR 100 crore turnover
- Whether e-invoicing would guarantee full proof mechanism of Input Tax Credit
- Solution/ options in case of technical error, network error, portal down, etc.



HOW CAN WE HELP



Evaluation of proposed e-invoicing system



Evaluation of current status of ERP



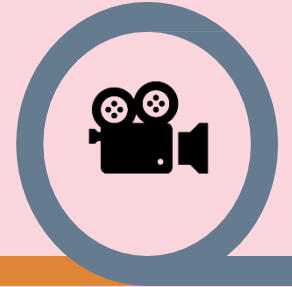
Making ERP ready for the new system



Representing issues to Govt. and GSTN for solutions



Educate vendors and customers



Go Live-Ready for the first invoice



GUIDELINE DOCUMENTS ON E-INVOICE

➤ GST - CENTRAL TAX NOTIFICATION NOS

- 68/2019 CT
- 69/2019 CT
- 70/2019 CT
- 71/2019 CT
- 72/2019 CT

➤ FAQs

➤ Format of e-invoice

Dr. Shrikant Kamat
Senior Partner – International Trade & Indirect Tax
MAZARS INDIA LLP

Romell Tech Park, 11 Floor
Cama Industrial Estate, Goregaon East.
Mumbai – 400063.

Tel: +91 9820784418; +91 9821143465

Email: shrikant.kamat@mazars.in

www.mazars.com

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Other offices in India *(including associates)*:

Ahmedabad: 3rd Floor, Devpath Complex, Behind Lal Bungalow, Off C. G. Road

Bengaluru: 2nd floor, 102 Gangadhar Chetty Road, Near Ulsoor Lake

Chennai: Rosy Tower, Nungambakkam High Road, Chennai 600034

Gurugram: 421 Udyog Vihar, Phase IV, Behind TCS bldg

New Delhi: C-37, Inner Circle, Connaught Place

Pune: 3rd floor, Pro 1, Business centre, Plot 34, 35, Senapati Bapat Road



THANK YOU !