PROPOSED E-INVOICING SYSTEM

The GST Council has approved introduction of 'E-invoicing' or 'electronic invoicing' in a phased manner for reporting of business to business (B2B) invoices to GST System, starting from 1st January 2020 on voluntary basis. Since there was no standard for e-invoice existing in the country, standard for the same has been finalized after consultation with trade/industry bodies as well as ICAI after keeping the draft in public place. Having a standard is a must to ensure complete inter-operability of e-invoices across the entire GST eco-system so that e-invoices generated by one software can be read by any other software, thereby eliminating the need of fresh data entry – which is a norm and standard expectation today. The machine readability and uniform interpretation is the key objective. This is also important for reporting the details to GST System as part of Return. Apart from the GST System, adoption of a standard will also ensure that an e-invoice shared by a seller with his buyer or bank or agent or any other player in the whole business eco-system can be read by machines and obviate and hence eliminate data entry errors.

The GST Council approved the standard of e-invoice in its 37th meeting held on 20th Sept 2019 and the same along with schema has been published on GST portal. Standards are generally abstruse and thus an explanation document is required to present the same in common man's language. Also, there are lot of myth or misconception about e-Invoice. The present document is an attempt to explain the concept of e-invoice, how it operates and basics of standards. It also contains FAQs which answer the questions raised by people who responded to the draft e-invoice standard used for public consultation. It is expected that the document will also be useful for the taxpayers, tax consultants and the software companies to adopt the designed standard.

A. What is e-invoice?

If an invoice is generated by a software on the computer or Point of Sales (PoS) machine then does it become an e-invoice? Is e-invoice as a system where taxpayers can generate the invoices centrally? Many such questions are raised when e-invoice gets discussed.

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. In fact, taxpayers have different requirements and expectation, which can't be met from one software generating e-invoices from a portal for the whole country. Invoice generated by each software may look more or less same, however, they can't be understood by another computer system even though business users understand them fully. For example, an Invoice generated by SAP system

cannot be read by a machine which is using 'Tally' system. Likewise there are hundreds of accounting/billing software which generate invoices but they all use their own formats to store information electronically and data on such invoices can't be understood by the GST System if reported in their respective formats. Hence a need was felt 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 these software would adopt the new e-Invoice standard wherein they would re-align their data access and retrieval in the standard format. However, users of the software would not find any change since they would continue to see the physical or electronic (PDF/Excel) output of the invoices in the same manner as it existed before incorporation of e-Invoice standard in the software. 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.

To help small taxpayers adopt e-invoice system, GSTN has empaneled 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 empaneled software products, which come in both flavors, online (cloud based) as well as offline (installed on the computer system of the user).

B. e-Invoice and Tax Department

The e-invoice system being implemented by tax departments across the globe consists of two important parts namely,

 a) Generation of invoice in a standard format so that invoice generated on one system can be read by another system.

 b) Reporting of e-invoice to a central system.

The basic aim behind adoption of e-invoice system by tax departments is ability to pre-populate the return and to reduce the reconciliation problems. Huge increase in technology sophistication, increased penetration of Internet along with availability of computer systems at reasonable cost has made this journey possible and hence more than 60 countries are in the process of adopting the e-invoice.

GST Council has given the responsibility to design the standard of e-invoice and update the same from time to time to GSTN which is the custodian of Returns and invoices contained in the same.

Adoption of e-invoice by GST System is not only part of Tax reform but also a Business reform as it make the e-invoices completely inter-operable eliminating transcription and other errors.

C. Other derived benefits of introduction of e-invoice from GST perspective

Objectives	Outcome
Better taxpayer services	• One time reporting on B2B invoice data in the form it is generated to reduce reporting in multiple formats (one for GSTR-1 and the other for e-way bill). • To generate Sales and purchase register (ANX-1 and ANX-2) from this data to keep the Return (RET-1 etc.) ready for filing under New Return. e-Way bill can also be generated using e-Invoice data • It will become part of the business process of the taxpayer • Substantial reduction in input credit verification issues as same data will get reported to tax department as well to buyer in his inward supply (purchase) register. • On receipt of info thru GST System as buyer can do reconciliation with his Purchase Order and accept/reject in time under New Return
Reduction of tax evasion	• Complete trail of B2B invoices • System level matching of input credit and output tax
Efficiency in tax administration	• Elimination of fake invoices

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 in turn 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.

Note: *To begin with, there will be only one IRP, but more IRPs will be added to provide higher availability, redundancy, speed and a diversified and distributed service to tax payers with a choice.*

## D. What type of documents are to be reported to GST System?

While the word invoice is used in the name of e-invoice, it covers other documents that will be required to be reported to IRP by the creator of the document:

    i.   Invoice by Supplier
   ii.   Credit Note by Supplier
  iii.   Debit Note by Supplier
  iv.   Any other document as required by law to be reported by the creator of the document (as notified by the Government from time to time).

E. What will be the workflow involved?

The flow of the e-invoice generation, registration and receipt of confirmation can be logically divided into two major parts.

   a) The first part being the interaction between the business (supplier in case of invoice) and the Invoice Registration Portal (IRP).
   b) The second part is the interaction between the IRP and the GST/E-Way Bill Systems and the Buyer.
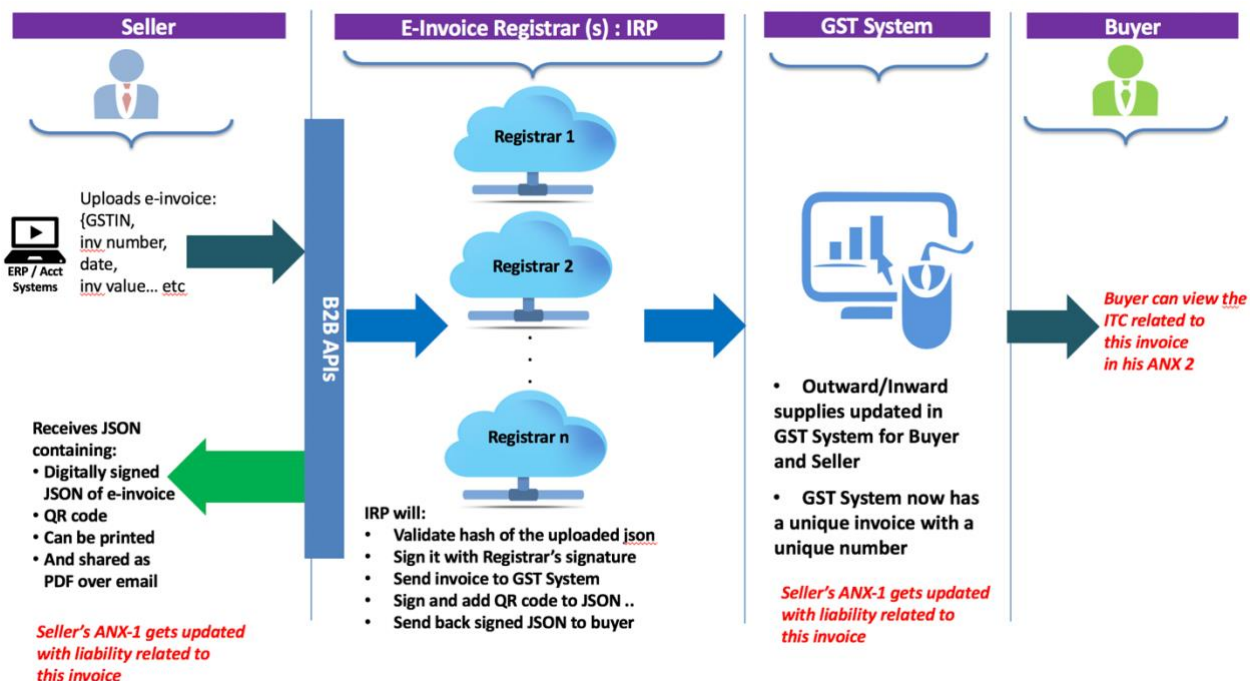
The two parts of the workflow are depicted diagrammatically below and followed up with an explanation of the steps involved. As the process evolves and system matures the same would be intercommunicated between buyer's software and seller's software, banking systems etc.

Part A: Flow from Supplier (commonly known as seller) to IRP.
Step 1 is the generation of the invoice by the seller in his own accounting or billing system (it can be any software utility that generates invoice including those using excel or GSTN's provided Offline Utility). The invoice must conform to the e-invoice schema (standards) that is published and have the mandatory parameters. The optional parameters can be according to the business need of the supplier. The supplier's (seller's) software should be capable to generate a JSON of the final invoice that is ready to be uploaded to the IRP. The IRP will only take JSON of the e-invoice.
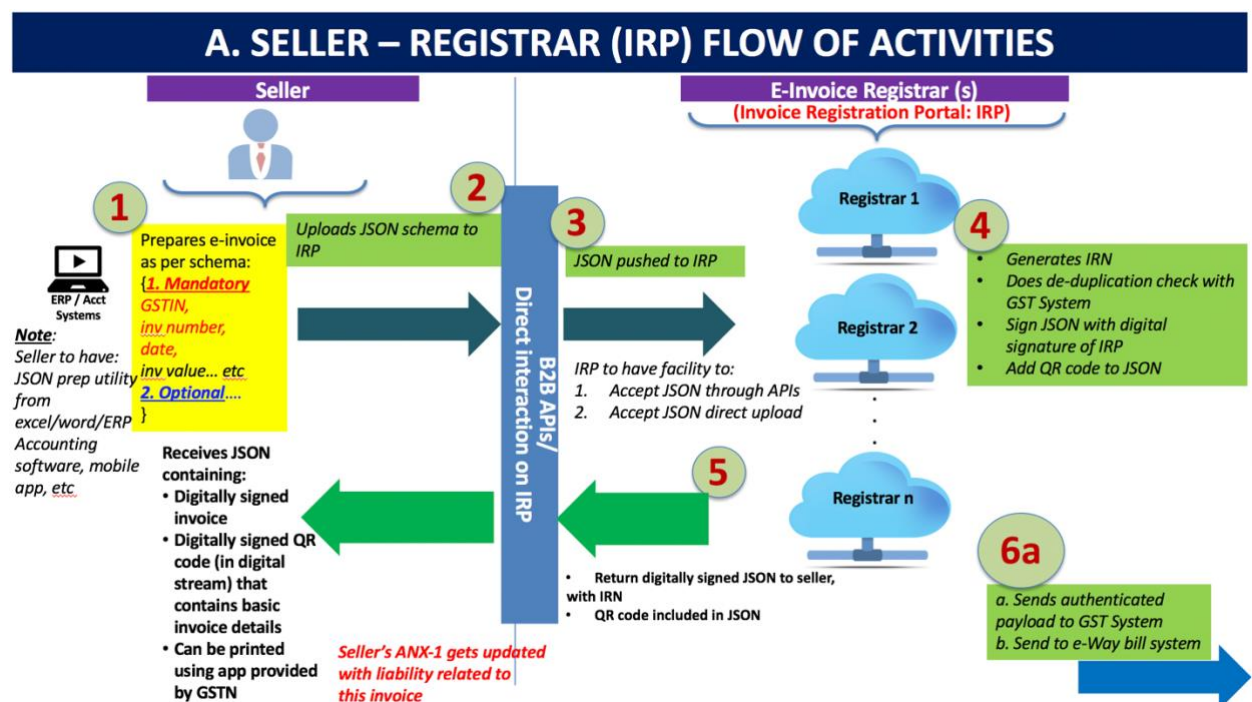
Note:
1. *Seller should have a utility that will output invoice data in JSON format, either from his accounting or billing software or his ERP or excel/word document or even a mobile app. Those who do not use any accounting software or IT tool to generate the invoice, will be provided an offline tool to key-in data of invoice and then submit the same.*
2. *The small and medium size taxpayers (having annual turnover below Rs 1.5 Crores) can avail accounting and billing system being offered by GSTN free of cost.*

Step 2 and 3: is to upload and push the JSON of the e-invoice to the IRP by the seller. The JSON may be uploaded directly on the IRP or through GSPs or through third party provided Apps.

Step-4: The IRP will generate the hash based on seller's GSTIN, Document Type, Document Number and Financial Year and check the hash from the Central Registry of GST System to ensure that the same document (invoice etc.) from the same supplier pertaining to same Fin Year is not being uploaded again. On receipt of confirmation from Central Registry, IRP will add its signature on the Invoice Data as well as a QR code to the JSON. The QR code will contain GSTIN of seller and buyer, Invoice number, invoice date, number of line items, HSN of major commodity contained in the invoice as per value, hash etc. ***The hash computed by IRP will become the IRN (Invoice Reference Number) of the e-invoice.*** This shall be unique to each invoice and hence be the unique identity for each invoice for the entire financial year in the entire GST System for a taxpayer. [GST Systems will create a central registry where hash sent by all IRPs will be kept to ensure uniqueness of the same].

In case the same document has been uploaded earlier, the IRP will send an error code back to the seller, when he tries to upload a duplicate e-invoice.

Step 5 will involve returning the digitally signed JSON with IRN back to the seller along with a QR code.

Step 6 will involve sharing the uploaded data of accepted document (invoice etc.) with GST and e-way bill system. More details are given in Part-B below.

Part B: Flow from IRP to GST System/E-Way Bill System & Buyer
The following diagram shows how e-Invoice data would be consumed by GST System for generation of e-way bill or populating relevant parts GST Returns, stated in Step-6 above.
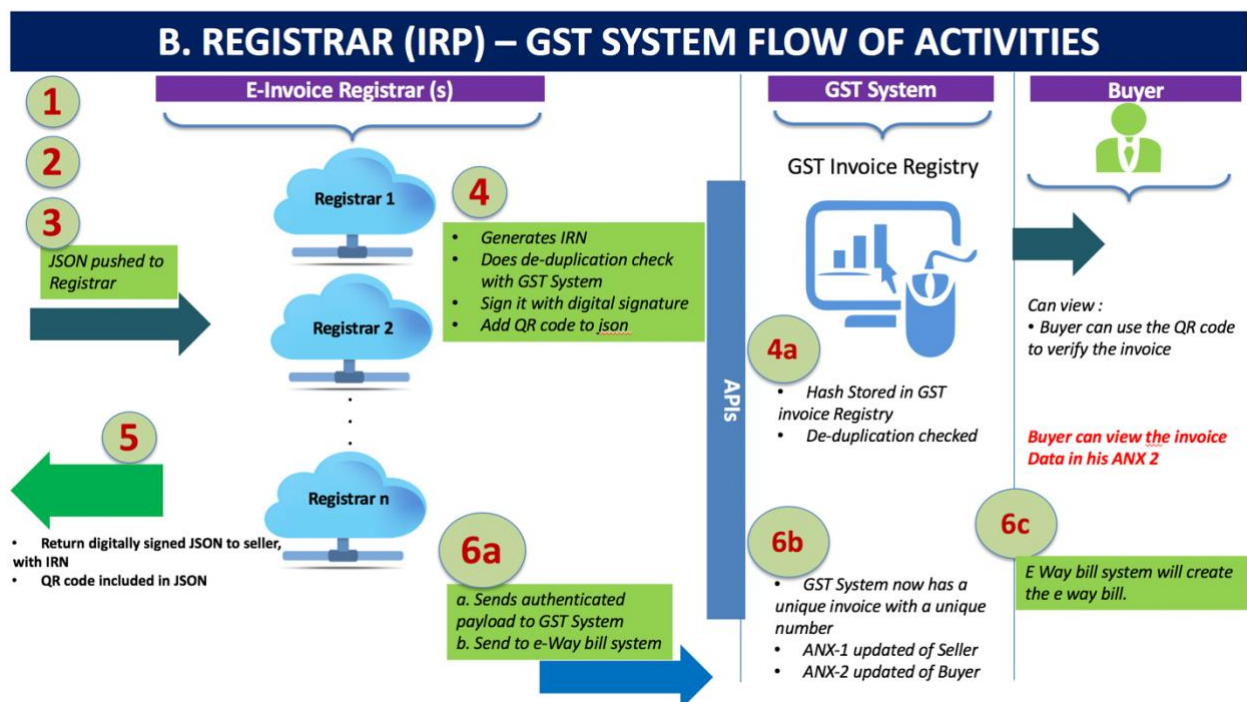
Step 6 (a) will be to send the signed and authenticated e-invoice data along with IRN (same as that has been returned by the IRP to the seller) to the GST System as well as to E-Way Bill System.

Step 6 (b) The GST System will update the ANX-1 of the seller and ANX-2 of the buyer, which in turn will determine liability and ITC.

Step 6 (c). The e-invoice schema includes parameters e.g. 'Transporter Id' and 'Vehicle Number' that are required for creating and generating e-way bills. Provision has also been made to enter transporter code and vehicle number, if available with seller at the time of generation of e-invoice. In that case, e-way bill can be prepared fully. The E-Way bill system will accordingly create e-way bill using this data.

Note 1: The e-invoice standardized schema has mandatory and optional items. The e-invoice shall not be accepted in the GST System unless all the mandatory items are present. The optional items are to be used by the seller and buyer as per their business need to enforce their business obligations or relationships.
Note 2: Seller may send his e-invoice for registration to more than one registrar. But the GST system and IRP will perform a de-duplication check with central registry to ensure that the IRN that is generated is unique for each invoice. Therefore, the IRP shall return ONLY ONE registered IRN for each invoice to the seller. In case of multiple registrars (more than one IRPs) only one IRP will return a valid IRN to the seller. Except one, all other IRPs will reject the request of registration.
Note 3: The QR code will enable quick view, validation and access of the invoices from the GST system from hand held devices.

F. Direct Invoice Generation on IRP (Invoice Registration Portal)
Many people think that e-invoice will be generated from government's tax portal. This is a myth and invoices will continue to be generated using an Accounting or a billing software by seller using their respective IT/ERP systems, keeping in view the varied need of item master, buyer master, UQC etc. **Thus, direct creation/generation of e-invoice from GST portal or any other government portal is not envisaged/planned.** This shall enable the IRP to have the single function of receiving e-invoices, validating and digitally signing them and performing the actions described in preceding paras and hence provide sub-second responses to sellers.

Small taxpayers, whenever so mandated, can use one of the eight free accounting/billing software currently listed by GSTN. Also, GSTN will provide Offline Tools where data of an invoice, generated on paper can be entered which in turn will create JSON file for uploading on the IRP. This upload to the IRP will also happen through APIs. Taxpayers may also use one of the many commercially available accounting/billing software for this purpose. All accounting and billing

software companies are being separately asked to adopt the e-invoice standard so that their users can generate the JSON from the software and upload the same on the IRP.

G. Features of e-invoice system

The Format of Unique Invoice Reference Number (IRN):

The unique IRN will be based on the computation of hash of GSTIN of generator of document (invoice or credit note or debit note), Financial Year, Document Type and Document number like invoice number. This hash will be as published in the e-invoice standard and unique for this combination. This way hash will always be the same irrespective of the registrar who processes it.

To ensure deduplication, the registrar will be required to send the hash to Central Registry of GST System to confirm whether the same has been reported already. In case it has been reported by another registrar (as and when more registrars – IRPs – are added) and the Central Registry already has the same IRN, then the registrar will reject the registration and inform the sender by sending appropriate error code. Only unique invoices from a taxpayer will be accepted and registered by the registrar.

Digital Signing by e-Invoice Registration Portal: The invoice data will be uploaded on the IRP (Invoice Registration Portal), which will also generate the hash (as the IRN) and then digitally sign it with the private key of the IRP. The IRP will sign the complete e-invoice JSON payload (that includes the IRN/hash). Thereafter, this e-invoice signed by the IRP will be a valid e-invoice for the seller and can be used by the seller for his business transactions. The IRP will also push this signed e-invoice to the GST and the E-Way bill systems.

QR Code: The IRP will also generate a QR code containing the unique IRN (hash) along with some important parameters of invoice and digital signature so that it can be verified on the central portal as well as by an Offline App. This will be helpful for tax officers checking the invoice on the roadside where Internet may not be available all the time. The seller will be returned a signed JSON with all details including a QR code. The QR code will consist of the following e-invoice parameters:

   a. GSTIN of supplier
   b. GSTIN of Recipient
   c. Invoice number as given by Supplier

d. Date of generation of invoice

e. Invoice value (taxable value and gross tax)

f. Number of line items.

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

h. Unique Invoice Reference Number (hash)

Note: It is the signed QR code which will be easily verifiable by taxpayers as well as Tax Officers to validate whether the e-invoice has been reported to the IRP and accepted by it, as it will contain both the IRN as well as the Digital Signature of IRP as proof of having received and registered the e-invoice. If the signed JSON is tampered then e-invoice will become invalid and the digital signature will fail.

An offline app will be provided for anyone to download to authenticate the QR code of the e-invoice offline and its basic details. The facility to view the e-invoice will be provided to buyers or tax officers, on the GST System / E-way bill system.

Note: The facility of e-invoice verification will be made available only through the GST System and not the IRP. This is because the IRP will not have the mandate to store invoices for more than 24 hours. In order to achieve speed and efficiency, the IRP will be a lean and focused portal for providing invoice registration and verification service, IRN and the QR codes. Hence, storing of the invoices will not be a feature of the IRP.

Multiple Registrar for IRN System: Multiple registrars (IRPs) will be put in place to ensure 24X7 operations without any break. To start with, NIC will be the first Registrar. GST System will also provide IRP services in due course of time. Based on experience, more registrars (IRPs) will be added.

Standardization of e-Invoice: A technical group constituted by the GST Council Secretariat has drafted standards for e-invoice after having industry consultation. The e-invoice schema and template, as approved by the GST Council, are available at https://www.gstn.org/e-invoice/. The same has been notified by the Govt of India vide Notification No. 02/2020 dated 01st Jan 2020.

H. CREATION OF e-INVOICE

Modes for getting invoice registered: Multiple modes will be made available so that taxpayer can use the best mode based on his/her need. The modes given below are envisaged at this stage under the proposed system for e-invoice, through the IRP (Invoice Registration Portal):

a. Web based,

b. API based,

c. mobile app based,

d. offline tool based and

e. GSP based.

API mode: Using API mode, the applicable tax payers and their ERP/internal IT services/accounting software providers can interface their systems and get the signed e-invoice from IRP - after passing the relevant invoice information in JSON format. API request will handle one invoice request at time to generate the IRN. This mode can also be used for multiple invoices (user can pass the request one after the other and get the IRN response within fraction of second) as well. The e-way bill system provides the same methodology.

Printing of Invoice

The businesses will receive a signed JSON from the IRP. This payload can be received, converted to readable format and populated into a PDF file. The taxpayer can then print his paper invoice as he is doing today placing their logo and other information, as per business need. E-invoice schema only mandates what will be reported in electronic format to IRP and to receive the corresponding signed e-invoices from the IRP.

Cancellation of e-invoice

The seller can upload the IRN of the e-invoice already reported, if that invoice has been cancelled by him/her. The cancellation of an invoice will be done as per procedure given under accounting standards.

The cancellation of e-invoice will be done by using the 'Cancel IRN' API (published on the e-invoice portal). The API will be a POST API and will required the IRN that is to be cancelled as the key parameter of the payload.

Amendment of e-invoice already reported: Amendment of e-invoice already uploaded on IRP will be done *only* **on GST portal**. Any amended e-invoice, if reported to IRP, will get rejected as its IRN (unique hash) will be already be existing in the IRP system. Hence amendment of invoices will not be possible through the IRP.

Auto-population of e-invoice data in ANX-1 and ANX-2 during trial of New Return: During the trial phase, e-invoice data will not get populated in the ANX-1 and ANX-2.

General Questions on e-invoice system

Generic questions on e-invoice

1. Will businesses now be required to generate e-invoices on the GST portal or the e-invoice portal or the IRN portal?
   a. No.
   b. Businesses will continue to generate e-invoices on their internal systems – whether ERP or their accounting / billing systems or any other application.
   c. The e-invoicing mechanism only specifies the invoice schema and standard so as to be inter-operable amongst all accounting/billing software and all businesses.
2. Please clarify whether there the current e-invoice schema is for the invoice to be issued by Govt or has to be maintained in the IT system by the tax payer?
   a. The invoice schema has to be maintained and invoices generated using this schema by the taxpayer himself.
   b. The GST portal or Invoice Registration Portal (IRP) will NOT provide facility to generate invoices. IRP is only to report the invoice data.
   c. The ERP or accounting billing software or any other software tool to generate e-invoice of the seller shall only generate invoices.
3. Will there be separate invoice formats required for Traders, Medical Shops, Professionals and Contractors?
   a. No.
   b. Same e-invoice schema will be used by all kinds of businesses. The schema has mandatory and non-mandatory fields. Mandatory field has to be filled by all taxpayers. Non-mandatory field is for the business to choose. It covers all most all business needs and specific sectors of business may choose to use those non-mandatory field which are needed by them or their eco-system.
4. How long will the e-invoice generated would be available at the Government portal?
   a. It is again clarified that the e-invoice will not be generated at the GST portal.
   b. It will be generated only at the seller's system – whether ERP or the accounting/billing system/other software tools of the seller.
   c. It will be uploaded into the IRP which will push it to the GST ANX-1, only once it has been validated and registered by the IRP.
   d. After it has been validated and is available in the ANX-1, it will be visible to the counter party in his ANX 2.
   e. Thereafter it will be visible and available for the entire financial year and archived.
   f. As far as data on IRP is concerned, it will be kept there only for 24 hours.
   g. The e-invoice can be accessed by the authorized parties (seller/buyer/tax officer) on the GST System in their respective accounts/dashboards after login.
5. While all businesses generate invoice at the same time, how will the server react?

      a. The businesses will generate the invoice at their system and hence that will not impact the servers of IRP.

      b. The capacity of the system at IRP shall be built so as to handle the envisaged loads of simultaneous upload based on data reported in GSTR1 for last two years.

      c. Subsequently, multiple invoice registrars (IRPs) will be made available that will be able to distribute the load for invoice registration.

6. Is it possible to auto populate fields of the e-invoice based on credentials entered? That way it can minimize data entry errors.

      a. Since the invoice generation is to happen at the business end, this can be built into the ERP or invoicing system of the seller. Most of such software provide this facility in the name of item master, supplier master, buyer master etc.

7. Will it be possible to add transporter details as well?

      a. Yes.

      b. The transporter details parameter and vehicle details have also been made available as part of the e-invoice schema.

Contents of e-invoice

1. There are certain fields today which are optional and some mandatory. How are these to be used?

      a. The mandatory fields are those that MUST be there for an invoice to be valid under e-Invoice Standard.

      b. The optional ones are those that may be needed for the specific business needs of the seller/business. These have been incorporated in the schema based on current business practices in India.

      c. The registration of an e-invoice will only be possible once it has ALL the mandatory fields uploaded into the Invoice registration Portal (IRP).

      d. A mandatory field not having any value can be reported with NIL.

2. What is the maximum Number of line items supported by e-invoice?

      a. As of now, during the trial period, there is no limit.

3. Does the e-invoice schema provide the maximum length of the various fields in the schema?

      a. Yes.

      b. Each field specification has been provided with the type of characters that are to be entered and its length as well.

4. What will be the threshold requirement for E-Invoicing applicability?

      a. This has been notified by the Government as being > INR 100 Crores annual turnover on aggregate basis (based on PAN).

5. Will the e-invoice have columns to show invoice currency?

      a. Yes, the seller can display the currency. Default will be INR.

6. Whether the IRN is to be captured in the Supplier's ERP?

    a. The IRN (hash) will be generated by IRP (registrar) using GSTIN of supplier or document creator, financial year and the unique serial number of the document/invoice along with the document type.

    b. The serial number of invoice must be unique for a GSTIN for a Fin Year and the same has to be captured by Supplier's ERP.

    c. Supplier should to keep the IRN against each of its invoice, once received by the seller from the IRP. It will be advisable to keep the same in the ERP as invoice without IRN will not be a legal document.

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

    a. Signing of invoice is required by the rules notified by the Govt of India. A placeholder for digital signature has been added in the e-invoice schema and hence if a signed e-invoice is sent to IRP, the same will be accepted.

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

    c. Once it is registered, it will not be required to be signed by anyone else.

8. Whether the facility of adding discount amount at line item-level would be mandatory in nature?

    a. The e-invoice has a provision for capturing discount at line item level.

    b. The discounting at line item level is to be mentioned only when and if it is applicable in the particular transaction.

9. Can the seller place their LOGO in the e-Invoice Template?

    a. There will NOT be a place holder provided in the e-invoice schema for the company logo.

    b. This is for the software company to provide in the billing/accounting software so that it can be printed on his invoice using his printer. However, the Logo will not be sent to IRP. In other words, it will not be part of JSON file to be uploaded on the IRP.

10. There should be a space provided for the QR code to be placed.

    a. The QR code will be provided to the seller once he uploads the invoice into the Invoice Registration system and the same is registered there.

    b. Seller must print the QR code on the printed Invoice.

11. Will we be able to provide the address and bill-to party and PAN details in the e-invoice?

    a. Yes.

    b. It will be possible to provide all these details in the placeholders provided in the schema.

12. Would the Supplier be allowed to issue his own invoice and if yes, will the Invoice number and IRN be required to be mentioned?

    a. Yes, the supplier will issue his own system's invoice, in the standard e-invoice schema that has been published. IRN will be generated and returned by the IRP as per the process described in the concept and flow.

b. E-Invoice will be valid only if it has IRN.

13. The current e-invoice template provides for total discount for all the products or services. Will this be possible in the e-invoice?
    a. Yes.
    b. There is a mechanism and placeholders to provide discounting on item level as well as total discounts on the invoice value.

14. Will there be an option for linking multiple invoices in case of debit note/ credit note?
    a. Yes, document type is one of the parameters in the e-invoice schema and is also used for the IRN (hash) generation.

15. Will the e-invoice schema cater to reverse charge mechanism?
    a. Yes.
    b. E-invoice system has a reverse charge mechanism reporting as well.

Method of Reporting e-Invoice to GST System

1. In addition to the above, we understand that electronic invoice which will be uploaded on GST portal will be authenticated and IRN will be allocated for each e-invoices generated.
    a. Yes, the e-invoice will be authenticated with the digital signature of the IRP (invoice registration portal).
    b. IRN (Invoice Reference Number) will be the hash generated by the IRP.
    c. The registered invoice will be valid to be used by the business.

2. Will it be possible for bulk uploading of invoices for e-invoicing as well?
    a. Invoices have to be uploaded on IRP one at a time.
    b. The IRP will be able to handle a large number of invoices for registration and validate them. Essentially bulk upload will be required by large taxpayers who generate large number of invoices. Their ERP or accounting system will be designed in such a way that it handles the requests one by one. For the user, it may appear as bulk upload.

3. Will the requirement for such invoices to be authenticated by the supplier using a digital signature/signature be done away with?
    a. The seller will need to upload the e-invoice into the Invoice Registration Portal.
    b. The signing of e-invoice by seller is governed by the Govt of India rules and notifications.
    c. The e-invoice schema provides for placing the seller's digital signature.

4. Will there be a time limit for e-invoice uploading for registration?
    a. Once uploaded to the invoice registration portal (IRP), it will be registered immediately, on real-time basis.
    b. Without the IRN, validation by IRP and hence its registration, e-invoice will not be valid.

Rollout Timeline

On trial basis for taxpayers having aggregate turnover above Rs 500 Crores in previous Fin Year.	from 1st Jan 2020
On trial basis for taxpayers having aggregate turnover above Rs 100 Crores in previous Fin Year.	from 1st Feb 2020
Mandatory rollout for taxpayers having aggregate turnover above Rs 100 Crores in previous Fin Year.	from 1st April 2020

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

5. Will it be possible to allow invoices that are registered on invoice registration system/portal to be downloaded and/or saved on handheld devices?
    a. Yes.
    b. IRP System after registering the invoice, will share back digitally signed e-invoice for record of supplier.
6. Will it be possible to print the e-invoice?
    a. Yes.
    b. It will be possible for both the seller as well as the buyer to print the invoice, using the signed JSON payload returned by the Invoice Registration Portal (IRP).
    c. The QR code will not be an image sent by the IRP but string, which the accounting/billing software or the ERP will read and convert into QR Code.
    d. Seller must place the QR code on the print of the invoice. This will enable its validation.

Amendment/cancellation of e-invoice

1. Whether e-invoices generated through GST system can be partially/fully cancelled?
    a. E-Invoice can't be partially cancelled. It has to be fully cancelled. Cancellation has to be done as per process defined under Accounting Standards.
    b. The e-invoice mechanism enables invoices to be cancelled. This will have to be triggered through the IRP, if done within 24 hours. After 24 hours, the same will need to be done on the GST System.
2. How would amendments be allowed in e-invoice?
    a. Amendments to the e-invoice will be allowed on GST portal as per provisions of GST law. All amendments to the e-invoice will be done on GST portal only.

Relationship with e-way bill

1. With the introduction of e-invoices, what are the documents need to be carried during transit of goods?
    a. For transportation of goods, the e-way bill will continue to be mandatory, based on invoice value guidelines, as hitherto fore.

b.	Any changes in this aspect will be notified by the Government.

Export/Import

1. Please clarify whether exports would require e-invoice compliance.
   a. Yes.
   b. The e-invoice schema also caters to the export invoices as well. The e-invoice schema is based on most common standard, this will help buyer's system to read the e-invoice.
   c. In this case, GSTIN of buyer located in another country will not be there.
2. Does the e-invoice allow the declaration of export invoices/ zero rated supplies?
   a. Yes.
   b. It allows the declaration of export invoices / zero rated supplies.

Others

1. What will be the workflow of the end to end e-invoice mechanism?
   a. The end to end workflow is described in the write-up and concept above.
2. Will the industry be provided sufficient time for preparation?
   a. Yes.
   b. The e-invoice mechanism has been rolled out in phases from 01_{st} Jan 2020 on voluntary basis.
   c. Initially, the e-invoice mechanism will be allowed for tax payers above a certain turnover, as given above.
   d. Subsequently, it will be enabled for all tax payers in a phased step-wise manner.
   e. Details of these will be published subsequently.

TOPIC	QUESTIONS	RESPONSE
Offshore access to IRP	Can a foreign service provider integrate with IRP?	Yes, but only from within the shores of India.
	If yes, where can the integration specifications be found?	The API specifications have been released. They can be viewed at https://einv-apisandbox.nic.in/
	If no, is GSP the right party to integrate against? What are GSP's responsibilities and liabilities in such setup towards the private service provider?	The APIs will be available over internet. GSPs are not the only entities who will be provided the API access. It will be widely made available to businesses of their software service providers.
ASP	We saw a term "Application Service Provider". What is the definition of this and how can one become ASP?	ASPs are software service providers who route their GST traffic through GSPs. Any software provider of financial services in the indirect tax domain can push data to GST system through GSPs.

		As far as IRP is concerned, access will be provided over internet. No such category of GSP/ASP will be created for access to IRP.
IRP - Bulk e-invoice	Is batch (bulk) submission of e-invoices to IRP allowed? We saw that this will be enabled in API based mode.	APIs will permit upload of JSON payloads. The invoices shall be accepted one at a time, though you may push invoices sequentially. The system shall be designed so as to scale and respond to API requests so as to enable the acceptance of millions of invoices per day, to start with.
IRP	What indicates for the supplier (and respectively) buyer that IRP has approved the e-invoice?	The IRP will respond with a signed IRN to the seller. IRP will also return a QR code, with digital signatures of the IRP. The QR code content is detailed in the description above. It has also been published in the FAQs on our website (www.gstn.org/e-invoice).
	The fact that QR code was assigned and IRN signature added?	Yes. As described above and in the FAQs.
	Or will there be another artefact returned?	No.
	Or the only way to ensure the validity of e-invoice is by manually logging into GSTN portal and manually / visually reviewing invoices available in the portal?	No. As described above.
IRP Validations	Can IRP reject the submitted invoice?	IRP will validate for GSTIN existence (of seller and buyer) and de-duplication of the invoice. If non-existent GSTIN and/or a duplicate invoice is found, the invoice will be returned with relevant error codes, without registering it.
	If yes, what will be returned to the supplier?	Error codes.
	What validations will IRP be performing?	IRP will validate for correctness and whether invoice already exists in the GST system. (This validation of existence in GST system will be based on the GSTIN-InvoiceNumber-typeofdocument-FY combination, which also are used for the IRN generation) Certain other validations, if needed, will be notified from time to time.
Signing of JSON by seller	Is the supplier required to sign JSON before submitting it to the IRP?	The e-invoice schema contains the place holder for digital signature of the seller.
IRP	Will the IRP return both signed JSON and signed PDF? Or just JSON?	IRP will return the signed JSON. No PDF will be returned.

		Whose digital certificate will be used to sign the invoice- taxpayer's and or third parties along with the IRP's, total of 1 or 2 signatures?	The signature will be of IRP.
		How can the digital certificate be uploaded into IRP?	The digital certificate is not required (this is kept with the user). The signed (optional) JSON will be received at the IRP.
		What are other technical requirements to e-signature?	No other technical requirements are there. The seller can sign the JSON and upload it with the signature placed in the optional placeholder for the signature.
Mailing by IRP	Will IRP be email distributing to the buyer- JSON or PDF? Or both?		No mailing of the e-invoice will be done by IRP.
	What happens if the email bounces (does not reach the recipient)?		As above.
Business query	Is the supplier allowed to distribute the e-invoice to the buyer?		Yes.
		If yes, what must alt. is allowed to be distributed- the JSON, the PDF or both?	As deemed fit by the seller. However, in order to make use of the e-invoice schema, it should be shared in the JSON format so that it can be read by the ERP of the buyer and straight away visible in the buyer's relevant books. Also, the seller can generate a PDF from the received signed JSON and share it with buyer over mail etc.
		Is the supplier allowed to create and distribute business invoice, i.e. file that contains other elements in excess of what is required for clearance with IRP?	The e-invoice schema has mandatory and optional parameters. The optional parameters can also be sent by the seller to the buyer as per the published e-invoice schema and needed by business need.
		Are there any requirements to how non-Tax invoice must be marked up?	The invoice having no tax component is generally known as bill of supply. Thus, challan and bill of supply are not required to obtain IRN.
Changes in law / Rules	There are inconsistencies between content requirements of the published invoice template and the GST law. When and how will this be addressed?		These are being addressed by relevant notifications and rule changes from time to time.
IRN	As IRN can be created by the supplier / supplier's vendor directly:		No
		Where can we find detailed specifications for this?	IRN will be generated by IRP only. It is not required to be generated by the business. Just for information, SHA256 is the algorithm that is to be used to generate the IRN using 3 parameters viz: GSTIN of seller, invoice number of seller, financial year.

	Who has to apply for this, the supplier or the technology provider?	As answered above.
Changes in law / Rules	In the current legislation it is required to issue invoice triplicate [two documents marked accordingly] for sale of goods and invoice duplicate [two documents marked accordingly] for sale of services.	
	Will this requirement be abolished for all taxpayers?	The rules are proposed to be changed so as to address these issues.
	Will this requirement be abolished only for those taxpayers issuing invoices via the IRP system? In other words, will there be two parallel invoicing processes?	As above.
	The sub rules mandate signing of invoice by seller. Will this be amended?	Signing of invoice is also based on the business need and relationship between buyer and seller. This need shall continue as per existing rules and also the business flow between seller/buyer. Signing of the json payload to IRP has already been answered to be optional (see response above).
Invoice PDF	Invoice legibility:	
	Under the current regulations, invoice legibility must be ensured and use of PDF is strongly recommended.	QR code will provide the requisite and relevant information about the invoice. PDF will not be returned by IRP. PDF can be generated by the seller using the signed QR code that will be returned by the IRP.
	How does this requirement look under the new regulations?	The machine readability will eliminate the need for printing. Moreover, the QR code will enable to validate the important contents of the invoice as registered by the IRP.
Other Documents	Which documents are exactly included in the scope of the mandate?	
	What are the requirements for other document types, such as credit/ debit note, ISD invoice, Bill of supply, Delivery challan, Receipt voucher, advance receipt, Payment voucher, Self-invoice?	ISD invoice and ISD credit note are the documents issued by input service distributor ; therefore, IRN will also be required on these documents as per provisions of the law.
	What applies to export transactions / invoices?	Exporter has also to issue tax invoice which is required to be reported like any other transaction. It is applicable in export invoices.
	What applies to import transactions / invoices?	Creator of document is required to generate the e-invoice. Hence bill of entry generated by customs on import of goods is not required to obtain IRN.

	The April 1, 2020 mandate, Are there any exceptions, e.g. armed forces, banks, telecom companies?	From Jan 2020, companies with annual turnover > 500 crores may begin using e-invoice. Thereafter, from 01st Feb 2020, as per notifications of the Govt, companies with turnover > 100 Crores may also require to use e-invoice. From 01st April 2020, it shall be mandatory for companies having turnover > INR 100 crores on aggregate basis to use e-invoice.
Schema	Is it possible to annotate a document type in the schema?	It has been provisioned as per the e-invoice schema.
IRP	Is there any contingency process for when IRP is not accessible / available?	Yes.
	If yes, where can specifications be found?	There will be more than 1 IRP to ensure continuity of business. All IRPs will use a common set of APIs to ensure compatibility and interoperability from businesses.
	If no, how should the supplier issue e-invoices during the time IRP is down?	As above.
Archiving	Will anything change from e-archiving perspective?	This service is not to be provided by IRP.
Exemption for industry	Banks and telecom companies do not use ERPs and they have multiple applications and also generate large number of invoices each month. They may be exempted from the trial for a month and may be brought from 1/2/2010.	From Jan 2020, it is to be rolled out as per the implementation plan of the Government. Exemptions, if any will be as per notifications by the Government.
IRN	IRN is to be generated using GSTIN of seller, Inv number and Date. CN/DN may have the same serial number as the Inv number as they are not generated using the same series. Thus there is need to incorporate Document type in generation of IRN.	The e-invoice schema is capturing the type of document which are addressing the issues raised.
IRN	The writing of hash (64 digit string) on Invoice is not desirable on account of the following:	
	Mere writing will not indicate that it has been reported to IRP. The current proposal to allow generation of hash (as IRN) will not serve any purpose.	IRN is necessary to ensure the uniqueness of the invoice across ALL businesses in a particular FY across India. Hence, IRN will be included in the QR code. It is not needed to be generated by the business or printed separately on the invoice.
	In case it has to be validated, one will have to enter 64 digits to compare the same with generated hash.	This is going to be done by the systems. No human is required to manually calculate, generate, remember or write the IRN (hash).

	Thus, it is better to make digitally signed QR Code as response which will be proof of registration and can be used to read the main contents of Invoice.	QR code will include the IRN.
QR code	Will QR code be required to be printed?	QR code returned by the IRP will be printed by the business, if invoice is being printed.
API specs	In absence of API specifications, development work can't be done by S/W companies.	These have been published on : https://einv-apisandbox.nic.in/ .
API specs	Will NIC provide new APIs for e-way bill?	E-way bill will continue to function as it is. No new APIs for e way bill are required to be published.
Business Query	Large taxpayers (who will be mandated to generate e-invoice and report to IRP) will be selling to smaller ones who will not be required to be on e-invoice. How will small guys get the invoice and ITC?	The large tax payers can convert the signed e-invoice from the IRP into an PDF and send these PDFs or printouts, or as they are conducting their business, to their small buyers.
Schema	Line items in an invoice be increased to 1000 from current limit of 250.	The line items in e-invoice are not limited.
Amendments	Can invoice uploaded on IRP be amended? If yes, how will amendment of Invoice data uploaded on IRP be done?	E-invoice reported to IRP will be pushed to the GST System. Any amendments to be made will be done on the GST system only ***and not on the IRP***. However, if the business wants to cancel an already reported invoice, he may do so by uploading the IRN on the IRP by using the Cancel IRN API (with IRN as the parameter). Once an invoice is cancelled, the same invoice number can not be used again to generate another invoice. All cancellations will be done via the IRP, by using the IRN as the parameter for cancellations.
Applicability	Will there be any exempt sectors from the e-invoice mandate	Government will notify the exemptions, if required.
Schema	Is there any Place of Supply in the schema?	Yes, it is covered in the e-invoice schema.
Mapping of e-invoice to ANXs	Will the e-invoice be mapped to the ANX 1 / 2 by IRP or will the tax payer have to do that?	The IRP will push the data (payload) to the GST System. The GST system will convert the e-invoice received and populate it into the GST ANX 1 and GST ANX 2 of the seller and buyer respectively.
E-Way Bill	How does the user get the e way bill?	The Part A and Part B of the E way bill details are included in the e-invoice schema and can be used to populate the contents of the e-way bill proforma.
	Is the IRN needed to be printed on the invoice?	The IRN is a mandatory part of the e-invoice and hence has to be a part of the invoice for all formal purposes. However, since IRN will be a part of the QR code, it is not required to be printed separately.

IRN	Will the e-invoice schema have the transporter id so that e way bill can also be generated using this?	Transporter ID parameter are there in the e-invoice schema. Part A and B of the e-way bill will be populated from the e-invoice schema data itself.
E-Way Bill	Can e-commerce companies generate invoices for the sellers on their platform?	The matter will be notified by the Government to allow E-commerce operators, (as approved by the Government from time to time), to generate the invoices on behalf of sellers, provided the sellers explicitly authorize them to do so.
E-Commerce	What will happen if ANX 1 is updated after the invoice has been pushed into the IRP?	Both the versions will be kept and available in the GST system, as part of the e-invoice registration at the IRP and secondly in the GST system, when being amended.
ANX 1	When is the section on delivery_or_invoice_period mandatory?	In case of continuous supply of services.
Schema	For "supplier legal name" which name is needed – as per PAN or as per GSTIN?	Legal name of PAN is taken as the input for registration of GSTIN.
	When does the "payee information" become mandatory?	This is optional.
	For 'modeofpayment' would a supplier know whether the payment by buyer would be by cash or credit?	Seller may dictate and specify the mode of payment to the buyer.
	For 'document total' the section is mentioned as optional but the field is mentioned as mandatory. Pl clarify.	The field becomes mandatory only if you choose to use and fill the section A1.3. Else it remains optional.
	Pl explain the mechanism of handling TCS by e-commerce players. Where and how will this be reported?	Invoice is issued by supplier and IRN will also be obtained by the supplier whereas e-commerce operator facilitates such supply and is not required to obtain IRN. Therefore, TCS is not a part of the invoice of e-commerce operator.
	Is the physical copy of invoice needed for movement of goods? The current law provision mandates this. How will it be treated with e-invoice?	Relevant changes will be notified by the Government.
	Is it possible to have more than one QR code on the invoice?	Yes, the seller is free to use his business flow/process as he is currently doing, by using the e-invoice schema. The IRP's QR code has to be in the e-invoice, as it validates the invoice. If seller wishes to place more than 1 QR code, then he needs to properly annotate them to clarify which is which. On a printed invoice, QR code returned by IRP will be printed on top right of the printed invoice.

	What parameters will be validated by the IRP	The IRP will check for the GSTIN, invoice number, financial year and also for de-duplication of this unique combination in the GST system.
	How will IRP validate for wrong GSTIN or cancelled GSTINs?	IRP will have the existing and valid GSTINs for validation. Incorrect GSTINs, cancelled GSTINs will be rejected by the IRP.
Tax Collected at Source	Taxpayers will be allowed to upload e-invoices created for B2C supplies also.	In long run, this may be allowed.
E Way Bill	Taxpayer may sign the e-invoice payload before sharing the same with buyer as well as IRP. This should be allowed.	Seller can digitally sign the e-invoice and upload the same to the IRP. Seller can share the e-invoice with the buyer only after it has been signed by the IRP.
QR Codes	In case of export, the tab of 'with/without payment' should be made mandatory.	It has been made mandatory in the e-invoice schema.
IRP	Large business (> 100 crores) also has B2B and B2C door to door delivery. Will he also be required to print QR codes on the invoices?	Yes.