

E-INVOICING INDIA

GST E-INVOICE/IRN SYSTEM

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ELECTRONIC INVOICING IN INDIA

GST e-Invoice/IRN System

In 2019 India's **Good and Services Tax Council (GSTC)** announced the implementation of the GST e-invoice/IRN system, that falls under the Goods and Services Tax system (GST System).

The mass implementation of the GST e-invoice/IRN System is being carried out in phases. They begin with a voluntary phase that will then be followed by mandatory ones. The first mandatory phase will include companies that invoice over 500 crore per year beginning on October 1st 2020.

The GST/e-invoice/IRN System follows a clearance model in which companies must validate all e-invoices with the government before delivering to the final recipient. This is accomplished by sending GST invoices to the Invoice Registration Portal (IRP). **IRPs then digitally sign the invoices and they assign a unique code called the Invoice Reference Number (IRN), meaning, that only invoices with an IRN are valid.**

Among other objectives the government looks to automate the declaration of invoices and to mitigate fraudulent activity.

CHRONOLOGICAL EVOLUTION

Key dates for an electronic invoicing project

- ▶ **July 2017:** Goods and Services Tax (GST) is created.
- ▶ **April 2018:** Implementation of the electronic waybill.
- ▶ **April 2019:** Good and Services Tax Council (GSTC), establishes the CoO: "Constitution of Committee of Officer".
- ▶ **September 2019:** The GSTC announces the implementation of the B2B e-invoice in phases.
- ▶ **January 2020:** Voluntary phase of B2B e-invoice emission.
- ▶ **October 2020:** First phase of mandatory issuance. All companies that invoice over 500 Rs Crore must comply.

FEATURES

Electronic Invoice

FORMAT

e-invoices must be generated in **JSON format following the GST INV – 1 format**. The GST INV – 1 format is based on the PEPPOL/UBL standard adapted for the Indian market's needs.

FISCAL CONTROLS

e-Invoices must be generated in JSON format following the GST INV – 1 format. The GST INV – 1 format is based on the PEPPOL/UBL standard adapted for the Indian market's needs.

ISSUING DOCUMENTS

B2B Invoices, Export Invoices, Credit Notes and Debit Notes.

HOW ELECTRONIC INVOICING WORKS (GST INVOICES)

EDICOM Solution

ISSUING INVOICES

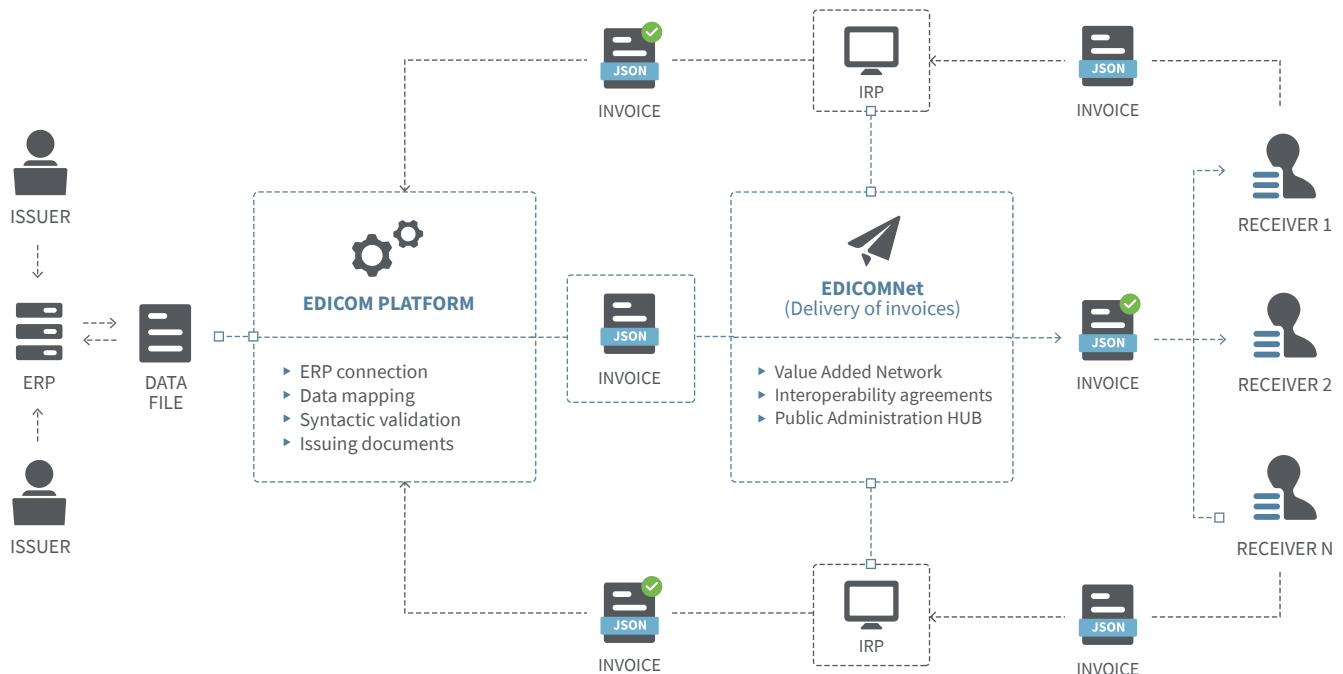
1. The issuer must automatically export a data file to generate the e-invoice.
2. EDICOM's global invoicing platform transforms the document into the JSON required by the GSTC which is then sent to the IRP.
3. The IRP validates the electronic invoices by signing them and applying the IRN and QR codes.
4. EDICOM sends the validated e-invoices to the recipient in the format agreed to by both parties.
5. EDICOM can also generate the e-way Bill.



e-Invoice issuer Prerequisites

The issuer must be registered in the GST portal and in the government's e-invoice and e-waybill portal.

Providers must adapt their systems to be able to communicate with the government platform to send e-invoices according to the parameters established by the fiscal authorities.



INVOICE RECEPTION

1. The IRP receives an invoice addressed to EDICOM's client and then validates it. EDICOM then receives the validated invoice.

2. EDICOM's Global Invoicing platform transforms the data into the format required by the client's ERP system and then integrates it directly into the ERP system.

Why Implement a Global e-Invoicing Solution?

Electronic invoicing involves a series of legal and technical requirements that differ from one country to another. There are technological solutions that can be adapted to internal management systems and to the requirements in place in each country.

EDICOM's Global e-Invoicing Platform simplifies the processes of issuing and receiving electronic invoices across borders. It is the solution for companies that operate in different markets but use centralized management systems that must be able to process these documents in accordance with the legislation in force in each country.

1 NATION TAX MARKET

GST System

In 2017 the ministry of finance began the most significant tax reform in Indian history with the creation of the Goods and Services Tax Scheme (GST System). The goal was to **unify the tax policies of its 36 federal states into a single market called the “1 Nation Tax Market”**.

The GST allowed India to create a more efficient harmonized tax system based on the use of information technology.

In order to take on this project the government created the Goods and Services Tax Council (GSTC), responsible for legislative decision making and also Goods and Services Tax Network (GSTN), which allocates infrastructure and IT services to the central government and the states. The GSTN is in charge of the development of the e-invoicing and e-waybill platform.

Through the homogenization of the tax system the Republic of India wants to reinforce the Brand “Made in India”, facilitate interstate transactions, reinforce international trade and reduce fiscal evasion.

E-INVOICING PLATFORM

EDICOM

AUTOMATION: The solution **integrates with the most common ERPs on the market** to automate the declaration of invoices and any other fiscal document.

COMPLIANCE: The platform meets the **specific technical and legal requirements** for sending information to public administrations in each country.

INTERNATIONALIZATION: The platform facilitates **tax compliance in more than 70 countries worldwide**, centralizing all procedures within a single solution.

E-WAY BILL

Transport of goods declaration

The E-Way Bill is an **electronic document used to declare the transportation of merchandise**. It is the first fiscal document implemented under the purview of the GST. The different rules around declaring waybills in different states would complicate the flow of goods and fiscal compliance. Through the digitalization of the merchandise declaration system through the e-Waybill India has created a uniform logistical system for the whole country.

The e-waybill and the e-invoice are the most important mechanisms for fiscal control at the disposal of the Indian Government.



Transport of goods E-Way Bill

The declaration of the E-waybill is mandatory and can be done through the e-waybill portal or through EDICOM Global E-invoicing Platform.

CENTRALIZATION OF SERVICES: The EDICOM platform is not only prepared for electronic invoicing, but also for the **electronic declaration of VAT or any other commercial or fiscal document**.

SECURITY AND AVAILABILITY: The EDICOM platform is accredited with the following certifications: **ISO 27001, ISO 20000, ISAE 3402 and TIER II Design**. EDICOM clients receive maximum security guarantees and an SLA that establishes a minimum platform availability of 99.9%.

If you are required to comply, or if you wish to begin electronic invoicing voluntarily, please contact us to start your electronic invoicing project as soon as possible.

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