

GST taxpayers get relief in implementation of e-invoice

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The Government had in December 2019 prescribed that the GST Taxpayers having aggregate annual turnover more than Rs. 100 crore in any preceding Financial Year will be required to issue e-invoice for all the Business to Business (B2B) supplies, in the manner prescribed under rule 48(4) of the CGST Rules, 2017 w.e.f. 1st April 2020. Further, it was also mandated under rule 48 (5) of the CGST Rules, 2017 that a B2B invoice or an export invoice issued by such a taxpayer, in any other manner, shall not be treated as an invoice.

In March 2020, the date of implementation of e-invoice was extended to 1st October 2020. Keeping in view the hardships faced by the taxpayers due to COVID-19 lockdown, in July 2020, it was further prescribed that the taxpayers having aggregate turnover of Rs. 500 crore and above only would be required to issue e-invoice w.e.f. 1st October 2020.

It has been reported that even after more than 9 months of the first notification in this regard, some of these taxpayers having aggregate turnover of Rs. 500 crore and above are still not ready. Accordingly, as a last chance, in the initial phase of implementation of e-invoice, **it has been decided that the invoices issued by such taxpayers during October 2020 without following the manner prescribed under rule 48(4), shall be deemed to be valid and the penalty leviable under section 122 of the CGST Act, 2017**, for such non-adherence to provisions, shall stand waived if the Invoice Reference Number (IRN) for such invoices is obtained from the Invoice Reference Portal (IRP) within 30 days of date of invoice.

The same is illustrated with an example: In case a registered person has issued an invoice dated 3rd October, 2020 without obtaining IRN but reports the details of such invoice to IRP and obtains the IRN of the invoice on or before 2nd November, 2020, then it shall be deemed that the provisions of rule 48 (5) of the CGST Rules, 2017 are complied with and the penalty imposable under section 122 of the CGST Act, 2017 shall also stand waived. Relevant notifications would follow.

It may be noted that no such relaxation would be available for the invoices issued from 1st November 2020 and such invoices issued in violation of rule 48(4) of the CGST Rules 2017 would not be valid and all the applicable provisions of CGST Act and Rules would apply for the said violation.

RM/KMN

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