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GST Updates – Summary of Notifications issued on 12th and 13th December 2019

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1. Procedure for E-invoicing:

(Notification No. 68/2019-Central Tax dated 13th December 2019)

Sub-rules (4), (5) and (6) inserted in rule 48 of the CGST Rules, 2017 in order to prescribe the procedure for e-invoicing under GST. Notified class of registered persons would be required to issue invoice in Form GST INV-01 after obtaining an Invoice Reference Number by uploading information on the common GST electronic portal in such manner as may be notified.

Further, if the person, who is required to issue e-invoice in the manner prescribed, does not follow the prescribed procedure and issues invoice in any other manner then, the document issued would not be treated as invoice.

Further clarified that when e-invoice is generated in Form GST INV-01 after obtaining Invoice Reference Number from the common portal in the manner specified then, the supplier would not be required to prepare invoice in triplicate copies for supply of goods or in duplicate copies for supply of services.

2. Common GST Electronic portal notified for generating e-invoice:

(Notification No. 69/2019- Central Tax dated 13th December 2019)

The government has notified the following websites, managed by the GSTN, as common GST electronic portal for the purpose of obtaining Invoice Reference Number:

- (i) www.einvoice1.gst.gov.in;
- (ii) www.einvoice2.gst.gov.in;
- (iii) www.einvoice3.gst.gov.in;
- (iv) www.einvoice4.gst.gov.in;
- (v) www.einvoice5.gst.gov.in;
- (vi) www.einvoice6.gst.gov.in;
- (vii) www.einvoice7.gst.gov.in;
- (viii) www.einvoice8.gst.gov.in;
- (ix) www.einvoice9.gst.gov.in;
- (x) www.einvoice10.gst.gov.in.

The websites are expected to be on-board with effect from 1st January 2020.

3. Specified persons who are required to prepare e-invoice with effect from 1st April 2020:

(Notification No. 70/2019- Central Tax dated 13th December 2019)

A registered person, whose aggregate turnover in a financial year exceeds Rs. 100 crores would be required to prepare e-invoice in Form GST INV-01 after obtaining Invoice Reference Number from the common GST electronic portal, with effect from 1st April 2020, in respect of supply of goods or services or both to a registered person.

H&A comments – The GST Council had approved the standard of e-invoice in its 37th meeting held on 20th Sept 2019 and the same along with schema was published on the GST portal. Notifications giving effect to the requirements of e-invoicing have been issued on 13th December 2019.

E-invoicing is being introduced in a phase wise manner. In the first phase, the registered person whose aggregate turnover in a financial year exceeds ₹ 100 crores would be required to generate e-invoice with effect from 1st April 2020, for B2B supplies.

E-invoice is required to be generated for supply of goods or services or both to registered persons i.e. for B2B transactions. It was stated in the outreach programs conducted by the GSTN that it is not mandatory to generate e-invoices for B2C transactions, though option to generate the same would be available.

Businesses will continue to generate e-invoices on their internal systems –whether ERP or their accounting/ billing systems or any other application. 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.

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). Once the IRN is generated the invoice will be transmitted to the assessee with a QR code on it. This can be printed as any invoice which can be signed and sent. Important aspect to note is that generation of the IRN/ the QR code only means that the invoice has been reported in the GST portal and does not mean any authentication or signing of the invoice.

It has been stated that the IRP would only validate the suppliers' GSTIN and no other data. Thereby, the IRP would be able to respond within milliseconds for one invoice. Further, ten portals being available for generation of e-invoice, it is expected that there will not be a situation leading to delay in generation of IRN.

Another aspect to note here is that two e-invoices cannot be generated for the same invoice i.e. invoices with same GSTIN of recipient, GSTIN of supplier and invoice number cannot have two IRNs.

Based on rule 48(5) any invoice generated by the specified persons without an IRN would be an invalid document which could lead to denial of credit in the hands of recipient. Therefore, the specified persons would be required to generate e-invoices and print the relevant QR code obtained from the IRP, on the invoices given to the recipients.

Once an e-invoice is generated, cancellation is not possible after 24 hours, however amendments could be made in the return forms.

E-invoicing would lead to lesser time spent by the assessee for compliance under GST for the reason that the invoice once uploaded on the IRP will automatically get reported in Form GST ANX-1 and the Part A of the e-way bill will be generated. This will ensure that the assessee does not spend time in summarizing the invoice information again and again for the above said requirements.

This will also ensure elimination of data entry errors when data is fed from invoice to e-way bill and Form GST ANX-1.

This will help in the data being auto-populated in the recipients' Form GST ANX-2 on real time basis, leading to ease of matching of credits.

E-invoicing is expected to give a huge amount of data to the department for further analysis which is expected to lead to a reduction in tax evasion.

4. Mentioning of QR Code in invoice:

(Notification No. 71 and 72/2019- Central Tax both dated 13th December 2019)

With effect from 1st April 2020, an invoice issued by a registered person, whose aggregate turnover in a financial year exceeds Rs. 500 crores, to an unregistered person (B2C invoice), shall contain a Quick Response (QR)code.

However, where the person makes a Dynamic QR Code available to the customer through a digital display then, cross-reference of the payment using Dynamic QR code in the such B2C invoice would suffice. The invoice shall be deemed to be having a QR code. This provision would be effective from 1st April 2020.

H&A comments – *This is an additional compliance requirement as even e-invoicing is not mandatory for B2C supplies. A registered person whose aggregate turnover in a financial year exceeds Rs. 500 crores would be required to comply with this requirement of adding QR code to the invoices issued if supply made to unregistered persons.*

5. Extension of time limit to furnish various returns by registered persons having principal place of business in J&K:

Notification No / Order Ref No & Form No.	Applicable to	To be filed by	Period	Previous Due Date	Revised Due Date
63/2019-CT FORM GSTR 1	Registered persons having principal place of business in Jammu & Kashmir	A registered person having aggregate turnover of more than 1.5 crore rupees in the preceding FY or the current FY	July 2019 to September 2019	30 th November 2019	20 th December 2019
64/2019-CT FORM GSTR 1	Registered persons having principal place of business in Jammu & Kashmir	A registered person having aggregate turnover of more than 1.5 crore rupees in the preceding FY or the current FY	October 2019	30 th November 2019	20 th December 2019
65/2019-CT FORM GSTR 7	Registered persons having principal place of business in Jammu & Kashmir	A registered person required to deduct tax at source under section 51.	July 2019 to October 2019	30 th November 2019	20 th December 2019
66/2019-CT FORM GSTR 3B	Registered persons having principal place of business in Jammu & Kashmir	All registered persons	July 2019 to September 2019	30 th November 2019	20 th December 2019
67/2019-CT FORM GSTR 3B	Registered persons having principal place of business in Jammu & Kashmir	All registered persons	October 2019	30 th November 2019	20 th December 2019

6. Applicability of Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 to seven more enactments:

(Notification No. 06/2019- Central Excise (N.T.) dated 4thDecember2019)

The applicability of amnesty scheme has been extended to following enactments:

- (i) Cine-Workers Welfare Cess Act, 1981(30 of 1981);
- (ii) Industries (Development and Regulation) Act, 1951 (65 of 1951);
- (iii) Sugar Export Promotion Act, 1958 (30 of 1958);
- (iv) Sugar (Regulation of Production) Act, 1961 (55 of 1961);
- (v) Tea Act, 1953 (29 of 1953);
- (vi) Finance Act, 2001 (14 of 2001);
- (vii) Finance Act, 2005 (18 of 2005);
- (viii) Finance Act, 2010 (14 of 2010).

H&A comments – The old tax disputes pending before various legal forums under the above enactments could also be settled under the above scheme. The scheme provides substantial benefit to the tax payer including immunity from interest, penalty and prosecution. The tax payer shall make a declaration indicating the tax payable under the scheme [as low as 30 or 40% of the demand amount, depending on the applicability of the scheme]. There shall be a designated committee who shall verify the declaration so made. After verification, the committee shall issue statement indicating the amount to be paid and upon payment of such amount discharge certificate shall be issued.

7. Clarifications regarding Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019:

(Circular No. 1074/07/2019- CX dated 12thDecember2019)

- A. An amount paid after issuance of show cause notice, but such deposit could not be appropriated due to pendency of adjudication proceedings. It is clarified that such deposits could be deducted when issuing the statement indicating the amount payable by the declarant under the scheme.
- B. Deposits made 'under protest' during any enquiry, investigation or audit, need to be adjusted by the designated committee in order to examine the final amount payable by the declarant under the scheme. However, where the deposit made already exceeds the amount payable under the scheme, the differential amount would not be

refunded in accordance with section 130(2) of the Finance Act No. 2 of 2019. It is clarified that refund will not be provided in such cases as any person who files a declaration under the scheme undertake to comply with all the provisions of the scheme.

- C.** The relevant date under the scheme, i.e. 30th June 2019 was a Sunday, i.e. a public holiday. Therefore, it was clarified based on provisions of section 10(1) of the General Clauses Act, 1897 that for the purpose of scheme, the relevant date shall be considered as 1st July 2019.
- D.** However, in a case of audit/enquiry/investigation where the tax dues have been quantified on or before 30th June 2019 and an SCN is issued after 30th June 2019, or in a case which was under appeal as on 30th June 2019, may attain finality in view of appeal period being over. For such cases, it was clarified that the eligibility with respect to a category in such cases shall be as it was on the 30th June 2019.
- E.** Where the audit report contains more than one issue, quantifying the amount payable for each case, it is clarified that in such cases, an option is available to the declarant to file separate declarations for each para or file a declaration for two or more paras together.
- F.** Where Form SVLDRS-1 was filed in the name of the proprietor and not in the name of the firm, such applications would be processed with the name of the proprietor as the declarant.
- G.** The designated committee is directed to waive the mandatory requirement of PAN while filing Form SVLDRS-1 in order to facilitate the overseas service providers and units which were closed before introduction of PAN based Central Excise registration., which are otherwise eligible under the scheme.
- H.** The main objective of the scheme is to liquidate the legacy cases under Central Excise and Service Tax, therefore the tax payers, in cases where the SCN was issued on or after 1st July 2019 and where such cases are also not covered under any of the categories such as enquiry/ investigation/ audit and tax dues have also not been quantified before 30th June 2019, it is clarified that such cases would be eligible under the category 'arrear' depending on the fulfilment of other conditions. The officers are directed to complete the adjudication/ review proceedings in such cases

expeditiously so that the designated committees are able to determine tax dues within the time stipulated under the scheme.

- I. It is clarified that in cases where the declarant has declared and paid lesser duty in the returns filed under the scheme then, the department may proceed by issuing a fresh SCN as it is a separate matter and is not covered under the discharge certificate issued under section 129.

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