

CBIC gives 30-day grace period for those not yet ready for GST e-invoice

Updated: 30 Sep 2020, 11:09 PM IST

New Delhi: Businesses not yet prepared for generating Goods and Services Tax (GST) e-invoices despite having got about nine months to prepare for, have been given "one last chance" to avoid penalty and regularise their invoices, the government said late on Wednesday.

The compulsory e-invoicing of business-to-business transactions of companies with more than ₹500 crore sales kicks in from Thursday.

The Central Board of Indirect Taxes and Customs (CBIC) said in a statement that the announcement of this compliance requirement was first made last December and was to be effective from April but was extended to 1 October keeping in mind the hardships faced by businesses. Despite this long notice, some businesses are reportedly still not ready, the tax authority noted. They are now given a chance to ward off penalty if they comply within 30 days.

"As a last chance in the initial phase of implementation of e-invoice," the invoices issued by such taxpayers during October without e-invoicing "shall be deemed to be valid and the penalty liveable for such non-adherence to provisions, shall stand waived off if the invoice reference number (IRN) for such invoices is obtained from the designated portal within 30 days of the date of invoice," CBIC said in the statement.

"It may be noted that no such relaxation would be available for the invoices issued from 1 November," said the statement.

This relief is a 'win-win' for the government and businesses with neither the implementation/anti-evasion objective being deferred nor businesses facing penalties for non-compliance, said Abhishek Jain, Tax Partner, and EY.