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L&S Update

an e-update to clients from
Lakshmikumaran & **Sridharan**

L&S GST Update No. 16
30th September 2016

GST Invoice – Draft Rules and Formats

- The CBEC has released draft GST rules and formats for registration, payment & invoice.
- The draft rules for invoice explain the details required for issuance of invoice, and also provide for bill of supply to be issued in certain cases.
- The format for an invoice has been provided in the draft released.

Tax invoice

- Tax invoice is to be issued by a registered taxable person supplying taxable goods or taxable services

- The rule relating to issuance of tax invoice provides for mentioning of details contained in 17 clauses

- Details include those relating to supplier, recipient (billed to), consignee (shipped to), goods or services (including HSN code of goods or Accounting Code of services, by a class of taxable persons to be prescribed), taxable and total value, rate of tax, tax charged, signature etc.

Tax invoice (contd…)

- Tax invoice for services is to be issued within 30 days from date of supply (45 days in case of banking company or financial institution including NBFC)
- Export supplies will be marked as “SUPPLY MEANT FOR EXPORT ON PAYMENT OF IGST” or “SUPPLY MEANT FOR EXPORT UNDER BOND WITHOUT PAYMENT OF IGST”, as the case may be

Details to be mentioned in Invoice

(Rule 1 of Draft Invoice Rules)

Name, Address and GSTIN of Supplier	Consecutive Serial Number (Unique for a FY)	Date of Issuance of Invoice	Place of Supply (State name & code - In case of interstate supply)
HSN Code of goods	Accounting Code of services	Description of goods or services	Quantity in case of goods
Total value of goods / services	Taxable value of goods / services (after discount or abatement)	Rate of tax (CGST, SGST or IGST)	Amount of tax charged (CGST, SGST or IGST)

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Details to be mentioned in Invoice

(Rule 1 of Draft Invoice Rules)

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Place of Delivery
(if different from Place of Supply)

Indication if tax payable under reverse charge

Signature / Digital Sign. of the supplier

The word 'Revised Invoice/ Supplementary Invoice'- where applicable
(along with date and invoice number of original invoice)

Recipient Details -
B2B: Name, Address & GSTIN
B2C: Name, Address (State Name & Code) – If taxable value $\leq$ 50,000/-

*Line Item Reporting : Invoice containing more than one tax rate / one HSN code to be mentioned separately

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Invoicing in Special Cases

- The Rules also contain special provisions relating to:
  - Export
  - Supplementary tax invoice
  - Credit note
  - Debit note
  - Tax invoice issued by Input Service Distributor (ISD)
  - Banking company or financial institution (including NBFC)
  - Goods transportation agency
  - Passenger transportation service

Invoice in case of Exports

- In case of exports, invoice shall carry an endorsement ‘Supply meant for export on payment of IGST’ or ‘Supply meant for export under bond without payment of IGST’.

- The following <u>details of recipient</u> needs to be captured in the tax invoice -
  - Name and address of the recipient
  - Address of Delivery
  - Name of the country of destination
  - Number & date of application for removal of goods for export [ARE-1]

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Invoicing in Special Cases

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Banking Company, Financial Institution or Non Banking Financial Company

- Any other document issued by supplier in lieu of Tax Invoice – Allowed
- Serial Number – Not compulsory
- Address of Recipient – Not compulsory
- All other details – Same as mentioned in Rule 1 of Draft GST Invoice Rules

Passenger Transportation Service

- Ticket issued by supplier in lieu of Tax Invoice – Allowed
- Address of Recipient – Not compulsory
- All other details – Same as mentioned in Rule 1 of Draft GST Invoice Rules

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Invoicing in Special Cases (continued…)

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- **Goods Transport Agent** - Where the supplier is a goods transport agency supplying services in relation to transportation of goods by road in a carriage, tax invoice shall include any document in lieu thereof and shall contain the following details:
  - Gross weight of the consignment
  - Name of consignor and the consignee
  - Registration number of the goods carriage
  - Details of goods transported
  - Details of place of origin and destination
  - GSTIN of the person liable for paying tax whether as consignor/consignee/GTA
  - All other details as mentioned in Rule 1 of Draft GST Invoice Rules

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Invoicing in Special Cases (continued…)

- **Input Service Distributor** - The tax invoice issued by ISD shall contain the following details -
  - Name, Address and GSTIN of ISD
  - Consecutive Serial Number of Invoice
  - Date of Issue
  - Name, Address and GSTIN of the supplier of services, the credit in respect of which is being distributed and the serial number and date of invoice issued by such supplier
  - Name, Address and GSTIN of recipient to whom the credit is being distributed
  - Amount of credit distributed
  - Signature or Digital signature of the supplier or his authorised representative.

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Bill of Supply

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- Bill of supply is issued in place of tax invoice (where the value of supply exceeds INR 100) in case of:
  - non-taxable supplies of goods/services such as supply of Petroleum products, Electricity
  - registered taxable person paying tax under Composition scheme
- A consolidated bill of supply shall be prepared at the close of each day in respect of such supplies where value of supply is below INR 100
- Details to be mentioned in the Bill of Supply -
  - Name, Address & GSTIN of supplier and recipient (if registered)
  - Consecutive Serial Number
  - Date of Issue of Invoice
  - HSN code of goods/ Accounting code for services
  - Description and value of goods & services
  - Signature/ Digital Signature of the supplier or his authorised representative

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Supplementary Tax Invoice or Debit / Credit Notes

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- The supplementary tax invoice or debit/credit note shall include the similar details as mentioned in case of bill of supply and –
  - Reference of original invoice number and date.
- A consolidated revised tax invoice can be issued in respect of taxable supplies made to unregistered recipient.
- In case of interstate supplies, where value of supply does not exceed INR 2,50,000, a consolidated revised invoice may be issued in respect of all unregistered recipients located in a state.

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Manner of Issuance of Invoice

Manner of Issuance of Invoice

- **Supply of Goods (to be prepared in triplicate)**
  - Original Copy- marked as 'Original for Recipient'
  - Duplicate Copy- marked as 'Duplicate for Transporter'
  - Triplicate Copy- marked as 'Triplicate for Supplier'
- **Supply of Services (to be prepared in Duplicate)**
  - Original Copy- marked as 'Original for Recipient'
  - Duplicate Copy- marked as 'Duplicate for Supplier'

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Time of Issuance of Invoice

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- Time of Issuance of Invoice
  - Supply of Goods
    - To be issued on occurrence of the time of supply of goods
  - Supply of Services
    - One Time Supply – To be issued within 30 days from the date of Supply of service
    - Continuous Supply – To be issued within 30 days from the date when each event specified in the contract requiring the recipient to make payment is completed
  - Banking Company, FI's and NBFC's
    - To be issued within a period of 45 days from the date of supply of service

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Emerging Issues

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- Time of Issuance of Invoice

Situation	Time of Supply	Invoicing
Advance received for supply of goods	Receipt of advance	Invoice Issued at the time of receipt of advance

  - Whether invoice will be required at the time of physical movement also?
- Invoice Series – Whether Separate Series possible for the following?
  - Supply of Goods and Supply of Services
  - Export Clearance and Domestic Clearance
  - Products having different Rates
  - Factory-wise in case many factories within the state are covered under single registration

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Emerging issues

- Tax invoices issued by notified persons to contain HSN code of goods or Accounting Code of Services
- Bill of supply to be compulsorily issued for supplies of Rs. 100 and above. No such minimum limit prescribed for issuance of tax invoice

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