VALIDATIONS IN E-INVOICES

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The Government is always listening to the trade and industry, especially when it comes to the GST. Initially, e-invoicing is required to be rolled out by all taxpayers having a turnover above Rs 100 crores but due to the pandemic like situation, which has impacted everyone, and to give a breather to the Government has increased the threshold limit know to Rs 500 Crores wide Notification No 61 – Central Tax Dated 30th July 2020. Also, based on the feedback from various stakeholders, the Schema for e-invoice is amended wide Notification No 60 – Central Tax dated 31st July 2020.

 A new API Version 1.03 has been released on 5th August 2020. As per the new release notes and communication from the GSTN, the new APIs will be made available in production by 15th August 2020. To Access the production APIs, the users can use their existing e-waybill credentials and not create new credentials for e-invoice separately. A new API for cancellation of e-waybill is released, known as "E-waybill cancel."

The validation of the Generate IRN API has changed, and the new validations are listed below.

1. The data being shared with the ASP/GSP should be validated with the schema shared by the portal before sending the data to IRP.
2. The version of the schema is a mandatory attribute, and it should be of the latest version as per notification.
3. Values for IRN should not be passed in the request.
4. It is mandatory to pass the values for Document Type and Supply Type of Transaction
5. For B2C transactions, e-invoice not required to be generated, hence data related to B2C transactions should not be passed.
6. The document number for Tax Invoice, Debit Note, or Credit Note should not be passed if they are starting with "0", '-" or "/."
7. The taxpayer should ensure that document numbers are unique for each financial year, and the document number should have the fiscal year embedded in the number as it will help in the generation on IRN as it is based on document number and Financial year.
8. Duplicate IRNs will not be generated. There should be a validation for the data being sent to prevent the flow of such data.
9. IRN cannot be generated for canceled invoice numbers.
10. The request for IRN can be made only by the supplier of goods or services or both.
11. In the case of e-commerce operators, the IRN can be generated by the e-commerce operator on behalf of the supplier.
12. The e-commerce operator can generate the IRN provided he passes the values for the eComm_GSTN.
13. Taxpayers registered as SEZ taxpayers are not required to issue e-invoice.
14. The document date should not be greater than the data on which data is being passed and can be yesterday's date.
15. The supplier has to generate IRN in case of Reverse Charge Transactions, and the flag of Reverse Charge has to be passed as "Y" in case of reverse charge transactions.
16. For the generation of IRN, the recipient's GSTIN should be active.
17. In the case of exports, the GSTIN has to be mentioned as "URP" and place of supply as "96".
18. In case if the recipient is an SEZ Developer or Unit, the Bill To, Ship To, and Place of Supply State Code is to be mentioned as "96".
19. The first two digits of the GSTIN of the Supplier and the Recipient should match with the Sate Codes passed for Supplier and Recipient details. The only exception is for SEZ Registered taxpayers.
20. The PIN codes are validated at the backend with the respective state codes.
21. The transaction will be treated as "Bill To – Ship To" if "Shipping Party" values are passed.

22. The transaction will be treated as "Dispatching Party" if "Bill From – Dispatch From" values are passed.
23. If both Shipping and Dispatching parties are provided, then the transaction is considered as 'Combination of Both' (Bill From – Dispatch From and Bill To- Ship To).
24. In the case of Export transactions for "Goods," the "Ship To" address should be the ICD/Port in India from where the goods are being exported.
25. In the case of exports and SEZ transactions, they are always considered as Interstate Transactions.
26. In case IGST on intrastate supply, tax rates and tax values related to IGST should be passed, and Supplier state code and Recipient state code should be the same.
27. The State Code of the Supplier GSTIN and POS will determine the transaction as Interstate or Intrastate.
28. The serial number of the item is verified for duplicate items.
29. The HSN code should be a minimum of 4 digits.
30. The HSN code for Goods can be 4,6, or 8 digits, and in case of Services, it can be 4, 5, or 8.
31. If the invoice line is selected as Service, then the HSN code should start with 9.
32. The unit of measure should be as per the "Unit Quantity Code."
33. In the case of services also, Quantity and Unit Quantity Code are mandatory.
34. The tax rates will be validated from the tax rate master.
35. In the case of Intrastate Transactions, the applicable taxes will be CGST and SGST/UTGST.
36. In the case of Interstate Transactions, the applicable tax will be IGST.
37. In the case of Exports and Supplies to SEZ or SEZ Developer, then the transaction will be validated for IGST.
38. The following summation validations are to be done for items
    a. Gross Amount of Item = Quantity X Selling Unit Price
    b. Taxable Value of Item = Gross Amount of Item – Discount
    c. SGST Value of Item = Taxable Value of Item X GST Rate / 2, if intra-state CGST Value of Item = Taxable Value of Item X GST Rate / 2, if intra-state
    d. IGST Value of Item = Taxable Value of Item X GST Rate, if inter-state
    e. Cess Value of Item = Taxable Value of Item X Cess Rate
    f. State Cess Value of Item = Taxable Value of Item X State Cess Rate
    g. Total Value of Item = Taxable Value of Item + SGST Value of Item + CGST Value of Item + IGST Value of Item + Cess Value of Item + State Cess Value of Item + Non-Advol Cess Value of Item + State Cess Non-advol value of Item + Other charges.
39. The following summation validations are to be done on Invoice total
    a. Total Taxable Value = Taxable Value of all Items
    b. Total SGST Value = SGST Value of all Items
    c. Total CGST Value = CGST Value of all Items
    d. Total IGST Value = IGST Value of all Items
    e. Total Cess Value = Cess Value of all Items + Non-Advol Cess Value of all Items
    f. Total State Cess Value = State Cess Value of all Items + State Cess Nonadvol Value of all Items
    g. Total Invoice Value = Sum of All Total Value of Items – Invoice Discount + Invoice Other charges + Round-off amount
40. Calculated value/amount in the above points can be between actual calculated value/amount and calculated value/amount rounded up to the next rupee.
41. Rounding off Value can be up to 9.99
42. The maximum payload of JSON is 2MB.
43. The invoice should not have more than 1000 lines.
44. IRP will be generating the e-waybill provided the user passes all the required information related to e-waybill.
45. e-waybill will not be generated for Debit/Credit Note or Services.
46. e-waybill will be generated if the Invoice lines have at least one item with the HSN code of items.
47. If transporter ID is provided, then Part A of the e-waybill will be generated.
48. Part A of the e-waybill will be provided if the values for Transport Mode, Vehicle Type, Vehicle No., Transport Document Number are passed without null values.
49. If the mode of transportation is passed as "Road," then vehicle type and number are required to be passed mandatorily.
50. If the mode of transportation is air or ship, the transport document number and date should be passed.

51. The vehicle number is validated with the Vahan database.
52. Pin code of the recipient is mandatory is Ship-To details are not passed.
53. Validation is done on PIN-PIN basis.
54. In case if all the values for the e-waybill are not passed, then the system will generate the IRN and return the data, and e-waybill can be generated separately.
55. IRN can be canceled if there are no active or valid e-waybill.
56. e-waybill can be canceled by the generator of e-waybill only.
57. e-waybill cannot be canceled within 24 hours of generation of e-waybill.
58. Even though state codes for 'Other country' are different in e-invoice and e-way bill, both (96 and 99) are valid. The system will take care of internally. Gradually, Code 99 will be removed.
59. IRN and e-waybill can be generated together, but when it comes to cancellation, the user has first to cancel the e-waybill and then only can cancel the IRN.

The above mentioned are some of the key validations which are available for e-invoice. The users and taxpayers are requested to do a detailed impact analysis of the same and implement the same in the organization. Here the CMAs can play a key role as they are aware of the technology, business process as well as the requirements of e-invoice. As time is running short, it is recommended to act on it as the due date for the rollout is 1st Oct 2020, and hardly 43 working days are left. During this period, only the training, change of business process, changes in software, if required has to carried out and implemented to ensure that the business is not again impacted for the second time in the year.

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