

Govt to mandate e-invoice for B2C transactions in 2-3 years

- The Government is planning to extend the e-invoice requirement to B2C transactions as well

NEW DELHI, Dec 6 (PTI)

THE Government is likely to make it mandatory for businesses to issue electronic or e-invoice for B2C transactions in the next 2-3 years, an official said on Wednesday.

Currently, businesses with a turnover of Rs 5 crore and above are required to generate e-invoice for their Business to Business (B2B) sales and purchases. The Government is planning to extend the e-invoice requirement to B2C transactions.

Central Board of Indirect Taxes & Customs (CBIC) member-GST Shashank Priya said GST systems have to be upscaled and the work is on to bring B2C (business to consumer) transactions under e-invoicing. "We are looking at requirement of e-invoice for B2C. GSTN capacities need to be upscaled. Systems will have to be put in place. We have to see which are the sectors we can start first. It is work in progress but we hope in years to come we will be able to take this forward," he said at an ASSOCHAM event. Priya further

said businesses with turnover between Rs 5-10 crore are not fully issuing e-invoices and CBIC officers have been nudging non-compliant businesses.

"Its (business with Rs 5 crore turnover issuing e-invoice) implementation is still quite tardy. We have issued instructions. We are trying to nudge taxpayers that it has certain advantages like ease of doing business. GSTR -1, e-way bills will get populated," Priya said at the National Conference on GST.

The Government has been making e-invoice mandatory for businesses in a staggered manner. Under the Goods and Services Tax (GST) law, e-invoicing for business-to-business (B2B) transactions was made mandatory for companies with turnover of over Rs 500 crore from October 1, 2020, which was then extended to those with turnover of over Rs 100 crore effective January 1, 2021. From April 1, 2021, companies with turnover of over Rs 50 crore were generating B2B e-invoices, and the threshold was brought down to Rs 20 crore beginning April 1, 2022.

From October 1, 2022, the threshold was lowered to Rs 10 crore.

From August 1, 2023, the requirement was extended to business with Rs 5 crore turnover.