

GSTN Advisory dated 13.04.2023

No IRN generation after 7 days from date of Invoice – Effective from 01.05.2023

Advisory -

“The Government to impose a time limit on reporting old invoices on the e-invoice IRP portals for taxpayers with AATO greater than or equal to 100 crores, to ensure timely compliance, taxpayers in this category will not be allowed to report invoices older than 7 days on the date of reporting.

Please note that this restriction will apply to all the document types i.e. invoice, debit note and credit note..

For example, if an invoice has a date of April 1, 2023, it cannot be reported after April 8, 2023. The validation system built into the invoice registration portal will disallow the user from reporting the invoice after the 7-day window. Hence, it is essential for taxpayers to ensure that they report the invoice within the 7-day window provided by the new time limit.

It is further clarified that there will be no such reporting restriction on taxpayers with AATO less than 100 crores, as of now.

*In order to provide sufficient time for taxpayers to comply with this requirement, which may require changes to your systems, we propose to **implement it from 01.05.2023 onwards.**”*

Analysis and Remarks –

- Without generation IRN, the document is not considered as a valid invoice issued under section 31 of CGST Act 2017 read with Rule 46 and 48 of CGST Rules 2017. Therefore, it is always advisable to generate IRN on real time basis to avoid any litigation.
- It has been the practice of the industry mostly in case of services sector where movement of goods is not involved, that E invoice is generated on weekly or fortnightly or monthly basis instead of real time / daily basis.
- Though there has been no explicit restriction on period within which IRN should be generated, but the intent as per above provisions has always been to report invoices to IRP on real time basis.
- In line with above and since Industry is now technologically equipped to generate E Invoice on real time basis, a restriction has been proposed vide above advisory restricting IRN generation post seven days from date of invoice.
- Though the restriction has been introduced for RTPs having aggregate turnover of 100 crores and above, but we expect that in coming months, it shall be implemented for all taxpayers on whom E Invoice provisions is applicable. (Advisory is silent regarding whether turnover needs to be checked for current FY or for any FY from 2017-18).
- In our view, if AATO of a taxpayer crossed 100 crores in any FY starting from 2017-18, then above restriction shall be applicable on it.
- We, therefore suggest that taxpayers needs to put a proper control of E Invoice data since non generation of E Invoice shall have repercussions on both supplier and recipient.

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