

#GTTaxUpdates

CBIC issues clarification on applicability of dynamic QR code

The Central Board of Indirect Taxes and Customs (CBIC) had notified that from 1 December 2020, the B2C (registered person to customer) invoices issued by taxpayers having aggregate turnover of more than INR 500 crore shall have a dynamic Quick Response (QR) code. Further, based on the recommendations of the GST Council, the CBIC had waived the penalty payable for non-implementation of QR code from 1 December 2020 to 31 March 2021, subject to the condition that the said person complies with the aforesaid provisions from 1 April 2021.

In this regard, the CBIC has now issued certain clarifications on applicability of QR code.

Key aspects clarified

Particulars	Guidelines/clarifications
Applicability	The QR code shall be applicable to a tax invoice issued to an unregistered person by a registered person (B2C invoice) whose annual aggregate turnover exceeds INR 500 crore in any of the financial years from 2017-18 onwards.

Particulars	Guidelines/clarifications
<p>Non-applicability</p>	<p>The QR code is not applicable to an invoice issued in following cases:</p> <ul style="list-style-type: none"> • Where the supplier of taxable service is: <ul style="list-style-type: none"> – an insurer or a banking company or a financial institution, including a non-banking financial company; – a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage; – supplying passenger transportation service; – supplying services by way of admission to exhibition of cinematograph in films in multiplex screens • OIDAR supplies made by any registered person to an unregistered person
<p>Parameters /details required in QR Code</p>	<p>QR code shall contain the following information:</p> <ul style="list-style-type: none"> • Supplier GSTIN number • Supplier UPI ID • Payee's Bank A/C number and IFSC • Invoice number and invoice date, • Total invoice value and • GST amount along with breakup i.e. CGST,SGST, IGST, CESS, etc. • Should be able to be scanned for making digital payment

Particulars	Guidelines/clarifications
<p>Cross referencing of payment, made without use of Dynamic QR Code</p>	<p>In cases where the supplier, has digitally displayed the Dynamic QR Code and the customer pays for the invoice using any mode like UPI, credit / debit card or online banking or cash or combination of various modes of payment, with or without using Dynamic QR Code, the supplier can provide a cross reference of payment (transaction ID, date and time, mode of payment) on the invoice.</p> <p>In case of cash payment without using Dynamic QR Code, the supplier can provide cross reference of the amount paid in cash alongwith date of payment on the invoice.</p>
<p>Generation / printing of Dynamic QR Code on B2C prepaid invoices</p>	<p>If cross reference of the payment received either through electronic mode or through cash or combination thereof is made on the invoice, then the invoice would be deemed to have complied with the requirement of Dynamic QR Code.</p> <p>In cases other than pre-paid supply i.e. where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.</p>
<p>Suppliers using e-commerce portal</p>	<p>In case, the supplier is making supply through the Ecommerce portal or application, and the said supplier gives cross references of the payment received in respect of the said supply on the invoice, then such invoices would be deemed to have complied with the requirements of Dynamic QR Code.</p> <p>In cases other than pre-paid supply i.e. where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.</p>