

**Additional Agenda Item: Development of an e-Waybill System by Goods and Services  
Tax Network (GSTN)  
(Based on Agenda Note received from GSTN)**

1. The old Section 80 (new Section 68) of the Model GST Law contains a provision for inspection of goods in movement. It provides that the Government may specify a document or a device to be carried by a person in charge of a conveyance who carries goods exceeding a certain prescribed value.
2. The provision of Section 80 of the Model GST Law was discussed in the 6<sup>th</sup> Meeting of the GST Council (held on 11 December, 2016), particularly in the context of having check-posts at the State borders. In the Council it was felt that in the GST regime, check-posts were not to be kept at the borders for physical checking of goods but it was necessary to record information regarding movement of goods across the State borders. It was also discussed that the movement of goods, whether within or across the State, shall be with a meta-permit and that the vehicles could be checked anywhere and not necessarily at the borders. It was also observed that there was provision in the GST Law to carry electronic way bill and radio-frequency identification (RFID) devices which could be logged on to GSTN and the data so recorded could be read and verified electronically.
3. Keeping this in view, GSTN needs authorisation for development of an e-Way Bill Application System. By using this System, every Logistics Service Provider can generate an e-way bill containing the invoice details and the vehicle details on 24\*7 basis, without requiring any approval from a tax officer.
4. GSTN has pointed out that the idea of an e-Way was not envisaged at the time of drafting the RFP (request for proposal) of GST Systems in 2015 as no such requirement was given to them. Therefore, they would need to develop a new module as part of the GST System to ensure that data on supplies, once uploaded in the e-way bill, automatically moves to the respective GSTRs. The total number of e-Way Bills to be generated in a year is estimated to be in the range of 25 to 31 crore. GSTN has estimated the cost of creating e-Way Bill System and operating it for five years to be Rs. 232 crore, based on rates discovered during RFP processing of GST Systems.
5. The financing option to meet this cost could either be: (i) payment of user charges by the Governments based on the number of live taxpayers in their jurisdiction, or (ii) by levy of a small convenience fee on the party generating the e-Way Bill. In order to ensure that every vehicle is not stopped for checking of the e-Way Bill, GSTN has proposed to use RFID tags on goods carriers, a process already initiated by Ministry of Road Transport and Highways (MoRTH), Govt of India.
6. GSTN has indicated that the proposed system will be RFID-ready but the cost estimate does not take into account the cost of setting up of facilitation centers and RFID readers which would need to be set up by the State Tax Departments.
7. In view of the above, the following agenda is placed for deliberation before the GST Council:
  - (i) Approval of the proposal to create an Electronic Way (e-Way) Bills System Module as part of the GST System through GSTN;
  - (ii) GSTN to collect a small convenience fee for each e-Way bill for the creation and operation of the proposed e-Way Bill System.