

S-31011/10/2023-ST-I-DoR
Government of India
Ministry of Finance
Department of Revenue
(State Taxes-1)

275, North Block, New Delhi
Date: 23rd June, 2023


OFFICE MEMORANDUM

Subject: Mera Bill Mera Adhikaar – A reward scheme for incentivizing the consumer for obtaining GST invoice - reg.

The undersigned is directed to refer to the above subject and to say that it has been decided to implement the 'Mera Bill Mera Adhikaar' reward scheme on pilot basis in the State of Assam, Gujarat, Haryana and UT of Puducherry. It is a reward scheme for incentivizing customers for obtaining GST invoices from the suppliers. The concept note detailing various aspects of the scheme implementation is also enclosed.

2. This is for your kind information.

Encl: As above


23.06.23

(Anil Singh Bhandari)
Section Officer (ST-1)
Tel: 011-23093177

To,

1. Chairman, CBIC
North Block, New Delhi

✓ 2. Directorate General of Taxpayer Services (DGTS), CBIC
C.R. Building, I.P. Estate, New Delhi

Mera Bill Mera Adhikaar

A scheme for incentivizing the consumers for obtaining GST invoices from the suppliers and Improving GST compliance in B2C supplies

1. Introduction:

1.1 In a consumption tax regime like GST, tax invoice is the only evidence of a supply transaction between the supplier and the unregistered recipient especially where the payment is made in cash. The invoice contains details of the supplies made, transaction value and the amount of tax collected/payable. Once a supplier issues the invoice to the customer, it becomes difficult, if not impossible, to suppress the supply. For B2B invoices, e-invoicing has been made mandatory for the suppliers having turnover above Rs 10 crore in a financial year which is going to be further reduced to Rs 5 crore from 1st August, 2023. E-invoicing for B2B supplies is a major deterrent for evasion of tax by such suppliers. However, in respect of B2C transactions, e-invoicing has not yet been introduced, considering the limitations in system capacity to handle such large number of B2C invoices and also difficulty to the suppliers in this regard. Further, only those B2C invoices for inter-state supply which are above Rs. 2.5 lakh value, are required to be reported in FORM GSTR-1 individually and other B2C invoices are required to be reported as consolidated value, without details of individual invoices. Even though serial number of all types of invoices issued in a month are required to be declared in Table 13 of FORM GSTR-1, the same is not mandatory and not many taxpayers are declaring the said numbers.

1.2 In case of a B2C transactions, chances of suppression and consequent evasion of tax by the supplier are very high, as even if the invoice is issued but not reported, it's practically impossible to track it. Such B2C supplies have been challenging for the tax administration across the globe, including in India, as these are easy to suppress. Nature of business to consumer (B2C) transactions has not changed significantly in the GST regime also. The fact that the final consumer does not actually need invoice, there being no ITC availability to him, makes the situation more challenging.

1.3 It is a known practice that, in many cases when the customer demands invoice, he may be enticed by the seller to not ask for the invoice by sharing a part of tax saved or just by creating a perception about the money (tax) potentially saved if tax invoice is not issued. However, such unrecorded transactions adversely impact consumer interest and safety, besides being hazardous to tax system due to evasion of tax on such B2C transactions.

1.4 However, if a behavioural change gets triggered and the customers start demanding an invoice, chances are that more and more such invoices will start getting reported to Government and tax evasion may become more difficult. Customers, in a way, by asking for tax invoice for a supply, can thus act as compliance agents for the State, enhancing tax compliance and contributing in Nation building. In view of this, certain measures to incentivise customers are needed to bring about behavioural change in consumers.

1.5 Tax administration, all over the world, have used different approaches to deal with the issue of improving B2C tax compliance. While some of the tax administrations have used sanctions and coercive actions (stick approach) to ensure proper invoicing, Italy in 1980's tried to impose punishments on customers for non-collection of invoices from the suppliers. However, the public opinion was strongly against such harsh measures against the customers as it was not only troublesome for the general public to store invoices for long time, but also was also considered adversarial to the general public. Therefore, the same was abolished in

2003. The measures against the suppliers have also generally not found to yield much results. Therefore, different approaches may be required to deal with this problem.

1.6 A number of countries have tried a carrot approach in form of incentivizing the customers for taking tax invoices from the suppliers in respect of B2C transactions by opting for Tax Receipt/ Invoice Lottery Schemes. **Invoice based lottery/ reward scheme** is a gamification technique used to ensure tax compliance, under which the tax invoices are considered as lottery tickets and the customers get a chance to win prize for obtaining invoices from the suppliers, if their invoice number is selected in lottery for the winning prize. Such lottery schemes have been introduced by a number of countries, such as Taiwan in 1951, Malta in 1997, Slovakia in 2013, Georgia in 2010, Portugal in 2014, etc. Most of the countries that have implemented such Invoice lottery schemes have either introduced e-invoicing for B2C invoices or have central/ uniform invoice number system, as per which the invoice number of invoices, including of B2C invoices, are available with the tax administrations, which make it easier to administer invoice lottery scheme, as well as eases the verification of authenticity of such invoices entering the pool. There are mixed results reported by different countries and there are not much empirical data to disclose the long-term effectiveness of such schemes in form of improved B2C compliances or sustained higher tax revenue from B2C transactions. Experiences of different countries are documented in the note placed at **Annexure "A"**.

1.7 **Benefits of the Invoice Reward scheme:**

A number of benefits of such Invoice Reward Schemes have, however, been reported by tax administrations, as highlighted below:

- **For the tax authority**, the cost of paying prizes (and administering the scheme) is, in turn, outweighed by the extra revenue of an increased tax base, and by a citizen-policing effect of detecting businesses dodging GST.
- **For the consumers**, the incentive is that the tax invoice is not just a piece of paper documenting the transaction made, but serves as a (potential) entry ticket, giving them eligibility to participate in a prize scheme.
- **Psychological benefits**: Furthermore, in a country where the prevalent norm is not to ask for a receipt, a consumer who requests a receipt but has no use from the receipt might indicate that he distrusts the honesty of the seller and is openly stating his mistrust when asking for the receipt. The consumer might therefore refrain from requesting the receipt in order not to upset the seller. However, if such a scheme is in place, asking for a receipt may not indicate mistrust, but simply the desire to participate in the scheme.
- **Cultural benefits**: Over a period of time, the culture of 'asking a bill' can develop among the general population.
- **Consumer rights**: Without an invoice, the consumers cannot protect their rights in case of any fraud. They also cannot claim guarantee or warranty for the product. Moreover, in case of any health/security hazard also they would not be able to take any action against the defaulter supplier.
- **Formalisation of economy**: The scheme will encourage citizens to participate in the government's push to formalise the economy, by way of honouring citizens who choose not to avoid taxes.

2. **Similar schemes introduced in India earlier:**

2.1 Similar prize schemes have been operated in India by State Governments of Kerala and Delhi.

- Delhi Government had a similar scheme, "Bill Banao Inaam Pao" in the VAT era. The success of the scheme has not been studied in depth.
- State Goods and Services Tax Department, Government of Kerala launched, 'Lucky Bill' scheme in GST regime in August 2022, through a mobile android-based application, for consumers in Kerala to upload GST invoices/bills of B2C purchases made from the suppliers of Kerala, and participate in periodic lucky draws. An approximate 1.5 lakh B2C invoices get uploaded in the system monthly for the said scheme. The details of the scheme launched by Kerala are given at Annexure 'B'. As the scheme is relatively new, the impact on tax collection as well as behaviour of the people is yet to be studied.

2.2 A proposal for the prize scheme/ lucky draw named "Mera Bill Mera Adhikaar" for those B2C invoices, for which payment is made using BHIM UPI or RuPay Card, was briefly discussed in the 39th Meeting of the GST Council held in March 2020. However, some of the State Finance ministers, especially Delhi and Uttar Pradesh, were of the view that scope of the scheme should be expanded to include cash payments and other mode of payments also.

3. Proposed Invoice Prize Scheme for improving B2C tax compliance by incentivizing customers to take invoices for B2C transactions:

3.1 Though neither e-invoicing nor centralized/ uniform invoice number system has been introduced in India under GST for B2C transactions as yet, however, there is requirement to introduce a scheme to incentivize customers for insisting on taking invoices from the suppliers for B2C purchases made by them. As getting invoices for the purchases made by the citizens from the suppliers is their right, it is proposed that we may promote a culture for the citizens to ask for the invoices from the suppliers for the purchases as their basic right, by incentivizing them in form of prize money through lots, based on such invoices. Accordingly, we may consider launching an Invoice Prize Scheme for B2C invoices. As it is for emphasizing the right of the citizens to obtain invoice for their purchases, we may consider naming the scheme as "MERA BILL MERA ADHIKAAR".

3.2 Approach to launch the scheme:

3.2.1 Presently, neither any E-invoicing system has been introduced for B2C transactions in India nor is there any other centralized/ uniform invoice reporting system in India. Therefore, we may consider initiating invoice prize scheme with the present system of issuance of B2C invoices, where such B2C invoices may be handwritten/ printed/ thermal etc. As and when E-invoicing is introduced for B2C transactions at a later stage, such B2C e-invoices may also be included as a part of this scheme.

3.2.2 Instead of launching the scheme on All-India basis in one go, we may consider first launching a pilot in the states of Haryana, Gujarat, Andhra Pradesh and Assam and UTs of Pudducherry and Dadra Nagar Haveli & Daman & Diu. The pilot may be run for a period of 6 months and depending on the result of the pilot, we may examine extending the scheme throughout the country.

3.2.3 There are three major components of the scheme: (i) Development of software/ application for the operation of scheme and running/ maintenance of the said application/ software; (ii) Implementation of the scheme, including drawing of the lots, verification of the winning invoices and distribution of the prizes to the winners; and (iii) Publicity and awareness campaign for the scheme.

3.2.4 As regards the development of the software/ application, it is proposed that the same may be developed and maintained by GSTN and the present mechanism for funding GSTN may be followed in this case also.

3.2.5 As regards the implementation of the scheme and the publicity and awareness campaign, it is proposed that the States/ UTs may implement the scheme, including deciding the final prize scheme, drawing of the lots, verification of the winning invoices and disbursement of the prizes to the winners. The publicity and awareness campaign may be got done through Directorate General of Taxpayer Services (DGTS) of CBIC. States can also supplement the same with their efforts at local level. The States may bear the administrative expenses for operationalization of the scheme. **The prize amount is proposed to be borne by the Centre and States in the ratio of 50:50. While the platform for uploading the invoices and draw of lottery shall be provided by GSTN, the disbursement of prize money after due verification, shall be the responsibility of the State tax administration.**

4. Outline of MERA BILL MERA ADHIKAR Scheme:

The proposed scheme may have the following features:

4.1 Participation in the scheme:

4.1.1 For participation in the invoice reward scheme, we may require the consumers to upload the tax invoices on a mobile app specially developed for this purpose by GSTN. All such invoices uploaded on the said **mobile app** will be considered for the draw of lots, subject to certain eligibility conditions. On this app, **one-time registration** will be required on the basis of mobile number of the person.

4.1.2 To participate in the draw, **the invoice issued during a month by a supplier registered in the concerned States /UTs, must be uploaded on the application up to 5th day of the following month.** On uploading the invoice, a unique **acknowledgement reference number (ARN)** will be generated, which would be used for draw of prizes. At the time of uploading the invoice, the participants would be required to provide the following details:

a. GSTIN of supplier
b. Invoice number
c. Invoice date
d. Invoice value
e. Tax amount involved
f. Mode of payment used for that particular invoice with drop down options.

4.1.3 It is also added that in case of invoice issued by suppliers registered under composition scheme, the amount of tax may be considered as zero. GSTN should develop software in such a way that all the invoices issued by suppliers registered under composition scheme should be considered for random draw even if tax amount shown in such invoice, is NIL.

4.2 Periodicity of draw:

4.2.1 We can consider having **monthly draw of lots** with lower prize money, along with bumper draw(s) on some major occasions with higher prize money, so as to bring a behavioural change in the consumers and to ensure sustained popularity of the reward system. It is also proposed that monthly draws may not be made in the months in which bumper draw is made.

4.2.2 All the B2C invoices issued during the previous month which have been uploaded on the application **by 5th of the next month** may be made as eligible **for the monthly draw**. Whereas the invoices issued during the period from the cut-off date for the last bumper draw till the end of the previous month of the bumper draw (uploaded till 5th of the month of the bumper draw) may be considered for the said **bumper draw**. For the very **first bumper draw**, invoices from the date of introduction of the scheme, till the cut-off date for the first bumper draw may be considered.

4.2.3 In case of any technical glitches on the applications, causing difficulty in uploading of the invoices on the applications, the said last date for uploading of the invoices may be extended by the concerned States/UTs, by one or more days as required, in consultation with GSTN.

4.2.4 GSTN may be tasked with making available such list of ARNs (for invoices uploaded on application) **by 10th of every month to the concerned States/ UTs**, for draw of monthly lots during the said month. Also, they will make available such list of ARNs for bumper draws.

4.3 Prize structure and Funding:

It is proposed to have bumper draw of one prize of ₹ 2 crore and two prizes of ₹ 1 crore thrice a year. For the remaining nine months, it is proposed to have 10 prizes of 10 lakh each and 1000 prizes of ₹ 10,000 each. This would entail total prize money of ₹ 30 crore, 50% of which shall be borne by Centre and 50% by the State whose invoices are selected for reward. Assuming that the chances of winning the lottery shall be in the proportion of population of the State/UT, the estimated financial burden of Andhra Pradesh shall be ₹ 4.4 crore, of Assam be ₹ 2.8 crore, of Haryana be ₹ 2.3 crore, of Gujarat be ₹ 5.4 crore and of Puducherry shall be a small amount of ₹ 10 lakh. The actual expenditure will depend on draw of lots.

4.4 Invoices eligible to participate in the draw:

4.4.1 Only B2C invoices (i.e. invoices issued by the registered persons to the unregistered persons excluding exports) will be eligible for the scheme. Minimum value for invoices to be considered for draw may be kept at **Rs. 200**. This is to keep in line with the

existing law, as Section 31(3)(b) of CGST Act, 2017 states that “a registered person may not issue a tax invoice if the value of the goods or services or both supplied is less than two hundred rupees subject to such conditions and in such manner as may be prescribed;”. This will also ensure that consumers do not pressurize suppliers to get the invoices split into smaller amounts for having multiple invoices for the same transaction to increase their chances of winning.

4.4.2 We may also consider specifying **maximum number of invoices** allowed to be uploaded by a person in a month so as to reduce the possibility of bifurcation of one invoice into multiple invoices of smaller amounts and to reduce the possibility of fraudulent uploading of invoices. For this purpose, it is proposed that we may consider allowing uploading of **only 25 Invoices by a person in a month**.

4.4.3 If GSTIN written on invoice is either fake or is not active, such invoice may be rejected by the portal and may not be taken into consideration while drawing lots. Some of the other relevant issues regarding the inclusions/ exclusions from the said scheme are discussed below:

Sr. No.	Issue	Recommendation
1.	Will the tax-invoice with no tax amount involved should be eligible for the draw?	In case the invoice is issued by a supplier other than a composition scheme supplier, it would be eligible only if the invoice involves some GST amount. In case the invoice is issued by a composition scheme supplier, it would be eligible without a tax amount, as composition taxpayers cannot charge any tax from the buyer.
2.	Whether to exclude invoices of white goods, petroleum products, or of hyper-marts?	All GST invoices shall be eligible for the scheme. Non-GST Invoices involving Non-GST items like petroleum, alcoholic beverages, etc. only may not be eligible for the scheme, as they will not involve any tax amount. However, we may not create any differentiation between various GST taxable goods / services and also between various types of retail outlets.
3.	Should there be some upper ceiling for tax value?	It is proposed not to have any such ceiling of invoice/ tax value.
4.	What if multiple uploads for a particular invoice happens?	We may acknowledge the first upload of an invoice only. Any subsequent upload of same invoice may not be allowed/ acknowledgement number may not be generated for the said upload.
5.	What if GSTIN written on invoice is either fake or is not active?	In such cases, the invoice may be rejected and may not be taken into consideration while drawing lots.
6.	Whether the invoices issued by any supplier is	Only the invoices issued by a supplier registered in a particular State/ UT are eligible for draw of lots in that

	eligible for draw in a particular State/ UT?	particular State/ UT.
7	Who is eligible to participate in the scheme?	All residents of India will be eligible irrespective of their State/ UT.

4.5 Procedure for random draw:

4.5.1 Winning invoices may be picked by method of **random draw**, out of the lists to be made available by GSTN for the concerned States/ UT. The task of drawing of the lots State wise, will be done by Center (DGTS) and disbursement of prize money will be done by the respective States/ UTs. For this purpose, GSTN may develop the requisite software and make available the same to Center (DGTS) so that by one click of the button, they are in a position to generate such lists of winning invoices/ customers.

4.5.2 GSTN may develop software in such a way that Center (DGTS) get a separate Dashboard and access through separate log-in ID and password for drawing of the lots. . Once ARNs of all the uploaded invoices are authenticated at backend by GSTN, the list of eligible ARNs will be then transferred to Center (DGTS) for drawing of the lots, through secured encrypted pathway. GSTN may also provide separate dashboard and access through separate log-in ID and password to States/UTs for disbursement of the reward money.

4.5.3 GSTN should develop appropriate system of encryption and decryption on the software so as to ensure the integrity of the drawing of lots and ruling out any probability of manipulation. GSTN may also consider getting the security audit done of the software and get required safety certification to rule out any possibility of manipulation.

4.5.4 Center (DGTS) will conduct the draw on the software developed by GSTN and generate the list of winning invoices/ customers preferably within 5 days after the cut-off date for uploading the invoices on the app. The entire process of choosing the winning ARNs may be completely automated with minimal/ no human-intervention, to make the process fool-proof as well as to build public trust in the system.

4.6 Computation of chances:

The number of chances for a single uploaded invoice in the draw may be determined based on the invoice value i.e., an invoice with higher value should have higher probability of being chosen in the draw in comparison to an invoice with lower value. This will discourage deliberate splitting of invoices into multiple invoices with smaller amounts for participation in draw. It is proposed that the following scheme for computation of winning chances of an invoice based on its value may be considered, and the software for the said scheme may be designed considering the same.

Invoice value	Number of Chances
0-200	No chance
201-1000	1 chance

1001-10,000	2 chances
10,001-1,00,000	3 chances
1,00,001 and above	4 chances

4.7 Prizing scheme:

4.7.1 For the successful implementation of the Invoice reward scheme, the number of prizes and the prize money need to be fixed in such a manner that the reward is sufficiently large to persuade consumers to participate in the scheme by asking for invoices, instead of temptation of saving tax amount by making purchases without tax invoices.

4.7.2 The prizing scheme may be decided by the States/ UTs in consultation with the Department of Revenue, Government of India. The following framework for the prizing scheme is suggested:

- **Bumper Draw:** Lower number of high value prizes. (For example, xx number of prizes of say Rs. 1 crore each)
- **Monthly Draw:** Higher number of low value prizes. (For example, yy number of prizes of say Rs. 10,000 each and zz number of prizes of say Rs. 10,00,000 each).

4.7.3 The amount announced as prize money may be the gross amount, inclusive of tax to be deducted, as applicable.

4.8 Disbursal of prizes:

4.8.1 The modalities of verification of the invoices and disbursal of prizes may be decided by the States/ UTs. It is proposed that winners may be asked to produce the original copy of the winning invoices, which may be verified inter-alia to check whether the eligibility conditions are satisfied. Further the authenticity of the invoice may also be verified through suitable methods.

4.8.2 It is also added that as there are chances of fake invoices being generated and uploaded by some unscrupulous elements for winning prizes, we may ask GSTN to build in their application/ software some means of identifying such totally fake invoices, so that the same can be tackled at the level of software itself to a large extent. Besides, GSTN may identify GSTINs which are invalid and which are not-active in the initial stages itself and remove them from the pool for draw.

4.8.3 After draw of lots, the prizes may be announced by the States/ UTs immediately. At the time of the announcement, they may announce ARN Number, name of the winner as well as the name of the retailer/ supplier of the winning invoices. GSTN may inform the winners via SMS and online app as well.

4.8.4 The winning persons may be required to upload additional details like PAN number, Aadhaar number, Bank account details etc through the app, within a period of 30 days from such date of informing them (date of SMS/ App notification), for enabling transfer of the winning prize to them through the said bank accounts. In case of genuine reasons, this time

period of 30 days may be extended by a period, not exceeding 15 days, on case-to-case basis by the concerned State/ UT. Any winner, who fails to upload/ provide such details within the specified period of 30 days, or the extended period of 15 days, where ever applicable, may not be eligible for disbursement of the reward.

4.8.5 After getting such details of PAN, Aadhaar number and bank account from the winners, **DBT (Direct Benefit Transfer)** will be done by the respective States/ UTs to the winners in their bank accounts, **after deducting applicable TDS under Income Tax Act, within 7 days after the completion of the time for uploading details of PAN and bank account by the winners.** For this purpose, a separate account may be maintained by them, which will be subject to CAG Audit.

5. **Helpdesk for technical issues:**

GSTN, being the agency in-charge for development of the mobile application, will be responsible for redressal of all technical grievances. A section may be allotted in the app for raising the grievances by customers. For handling of grievances, GSTN may setup a helpdesk regarding the technologic difficulties/ glitches faced in use of mobile app and for uploading the details and related issues.

6. **Grievance handling mechanism:**

A Grievance Redressal mechanism may be formulated by the concerned State/ UT to address any grievance that arises in relation to the reward scheme.

7. **Handling of legal disputes:**

In cases where court cases are filed either to challenge the provisions of the scheme or any other issues pertaining to implementation of the scheme, States/ UTs may defend the said case in the courts of law.

8. **Post-draw data analysis:**

The database of B2C Invoices participating in the draw may be shared with the field formations of Centre and States for the concerned States/ UTs for further analysis and use, if any, during audit, investigation etc. This will ensure that the suppliers know that the data generated from this scheme can be used sooner or later against them, which will act as effective deterrent against under-reporting of B2C transactions.

9. **Public awareness campaign:**

- i. The scheme mainly aims at recognising citizens' as contributors and partners in nation-building and also at bringing a cultural change in the general public to 'ask for a bill' as their right and entitlement. Public awareness campaigns may be conducted focusing on the above themes.
- ii. A well-orchestrated and well-planned publicity campaign will be required to be undertaken. This work may be allocated to DG Taxpayer Services (DGTS), CBIC. DGTS will undertake the work relating to creating buzz and public awareness about the scheme and its features, in Hindi as well as in official language of the concerned States/ UTs. Concerned States/ UTs may also supplement the same with their own publicity campaigns at local level.

- iii. As far as possible, prize distribution of bigger prizes, viz. Bumper draw may be televised live to encourage more customers to enter their invoices in the upcoming draw cycle.
- iv. To begin with, various audio-video advertisements can be got developed by DG Taxpayer Services (DGTS) targeting consumers. Such advertisement campaign can be run on TV, radio, Cinema Halls or even on videos walls, which can be placed on highways as well as in busy market places. Children can play a pivotal role in it. If children get to know the importance of the invoice, that will be big impetus in formalisation of economy.
- v. Further, DGTS along with Zonal Units of DGTS can conduct outreach programs, workshops and interactions with RWAs, Consumer Groups, Retail Centres /Hyper Marts, Educational Institutions etc. Retailers Association of India (RAI) which is the apex organization of retailers committed to issue invoices can also be associated with such outreach program.
- vi. Short audio video message can also be shot by various film actors and sports personalities on the subject. Celebrity audio/video messages on the subject may be very useful as the same is generally very appealing to masses.

10. Time period for running the scheme:

Pilot will be run for a period of 6 months. After completion of the scheme, the impact /usefulness of the scheme may be analysed in greater details, and based on the same, a decision may be taken as to whether the scheme needs to be scaled to All-India level or not, and for what period.

11. Impact Analysis:

It is important to have an internal mechanism for evaluating the impact/ outcome of the scheme. The basic parameters to be considered during **impact analysis** and cost-benefit analysis may be as below:

- Whether the number of B2C invoices reported have significantly increased.
- Whether the number of individuals participating in the scheme is a significant percentage of total population.
- Whether there is an increase in revenue from B2C transactions after factoring out the following:
 - General rate of inflation in the economy
 - Increase in rate of taxes, if any, during the period.

12. The scheme is proposed to be launched on 1st July, 2023 subject to development of mobile by GSTN and approval of the scheme (by the competent authority and concurrence of the concerned States/ UTs).

13. The views of the States/ UTs may be taken for finalisation of the modalities of the scheme.

Experiences of Various Countries in Invoice Lottery/ Prize Schemes

<i>Countries</i>	
1	Malta
2	Slovakia
3	Greece
4	Portugal
5	Georgia
6	Taiwan

1. Experiences of Malta:

- a. First European country to introduce a tax receipts lottery, in 1997.
- b. It is a legal obligation (though it cannot be legally sanctioned) for customers to retain receipts from purchases for 24 hours after the purchase has been made. This obligation was introduced into the legislation to facilitate field audits.
- c. A similar motivation as for this legal obligation to get a fiscal receipt in purchases is the reason for the existence of the Maltese tax receipts lottery. Hence, the lottery is seen to provide consumers with an incentive to ask for the receipt and keep it, which in turn makes it easier for tax authorities to control VAT compliance.
- d. The current scheme, which is employing an actual draw of physical receipts from a very large drum, is in place since 2000. More specifically, there is one draw per month, taking place on the 15th of every month with all fiscal and VAT relevant receipts from the previous month being eligible to be part of the lottery. Eligible receipts are handwritten receipts (on forms provided by the VAT department to the supplier), fiscal cash register receipts (with sealed memory), and receipts issued by computerised systems that have been authorised by the tax authorities.
- e. To be able to participate in the lottery, receipts have to be submitted by the 10th of the month by hand or sent by mail, following the month in which the receipt has been issued. Receipts have to be identifiable by having the name, surname and identity card number recorded on the back side of the receipt. Lottery participants can also (optionally) record their address and telephone number.
- f. The lottery itself pays every receipt that has been drawn 100 times its value, while there is a minimum prize threshold of EUR 233 and a maximum threshold of EUR 11647. Further lottery tickets are being drawn until the allocated budget of EUR 58234 has been exhausted.
- g. While no major data analysis takes place in the course of the lottery, some figures have been recorded. It has been observed that the lottery is becoming more popular with a tendency of a rising number of receipts submitted for the lottery, with 32.5 million in 2007 up to 35.7 million in 2013.

- h. While this is an indicator of the sustained popularity of the lottery, no scientific or quantitative evaluation of the success of the lottery has been conducted. Hence, it is not known whether the lottery has increased VAT compliance in the short or long term.
- i. Relevant factor to be noted here is that Malta is the EU's smallest Member State, with a population of about 4,00,000 living in a geographically small area.

2. Experience of Slovakia:

- a) Introduced in 2013
- b) The VAT gap had been increasing from its low point of 18.2% in 2003 to a high point of 40.1% in 2012. Hence, tax evasion, and VAT evasion in particular, was a pressing issue for government revenues.
- c) Authorities took several other simultaneous tax evasion steps.
- d) The rules for the lottery were that, all receipts with value of EUR 1 or higher were eligible to participate. Furthermore, receipts were only valid to be registered in the lottery for two months after the purchase. In order for a consumer to participate in the lottery, receipts had to be registered using any of four alternative channels:
 - online via the internet.
 - via a SMS text message
 - through the National Lottery Company which served as the operator of the lottery
 - through automatic registration by the retailer issuing the receipt.
- e) First it was necessary to identify and trace back the transaction, and was also feasible as any seller in Slovakia needs to employ such an electronic machine, which can be identified by the tax authorities.
- f) Prizes were awarded with equal chance for every receipt, independent of the value of the purchase. There were three chances to win the lottery.
 - First chance - a lottery is drawn every two weeks. 10 prizes worth EUR 100 to EUR 10,000 were awarded.
 - Second chance - every month specific to each of the 8 regions of Slovakia. The winner here was one cash register, where a lottery is drawn amongst all receipts submitted using this register. Both financial and non-financial (car) prizes were awarded.
 - Third chance - all submitted receipts, in which the winner became eligible in a TV show
- h) About 10% of the population registered to participate in the lottery at least once.
- i) The number of individuals participating in the lottery has declined before becoming more stable around 80000, while the number of cash registers included in the lottery is more or less stable since the beginning.
- j) This indicates that the monitoring of companies issuing cash receipts is similar to what it was at the start. On the other hand, the number of receipts submitted per player has increased, mainly driven by 'professional' players, i.e. individuals who devote significant time to participation in the lottery. These players also appear to register more receipts than the average household's purchasing power, indicating that these individuals are submitting tickets of purchases that they have not made

themselves. Furthermore, it is also worth noticing that these players tend to be attracted to the lottery due to gambling motives.

k) By far largest share of receipts is sourced from the retail sector, again here with a concentration on big retail chains. This also hinted to a shortcoming of the lottery, as these chains tend to issue receipts for purchases or at least formally register the transaction anyway. On the contrary, the more problematic service industry (in terms of tax evasion) is only responsible for 2% of submitted receipts.

l) First analysis did not show a significant increase of revenue from particular firms from whom more receipts had been issued. There was, however, a higher rate of sales increase from the pre- to the post-lottery period in small retail compared to the sales increase in larger retailers. However, the attribution of this increase is not identifiable to the lottery alone, mainly due to the multiple channels with which improved tax compliance was promoted.

m) **Cost-Benefit Analysis:** The fiscal impact of the lottery is estimated to be modest, leading to extra revenue of about EUR 8 million annually. While this indicates that the lottery would break-even, it is generally judged to be of modest impact compared to other available measures in fighting tax evasion.

3. Planned Scheme in Greece:

a) Estimated 30% VAT evasion in the country.

b) Earlier measures taken using the stick policy had failed.

c) Planned scheme:

- Buyers would be able to register purchases to the lottery via SMS, including the necessary data of the receipt: namely, the nine-digit fiscal code of the seller, the date and time of the transaction, as well as the amount.
- The lottery participant in turn would be uniquely and positively identifiable through his or her mobile phone number. Based on the SMS received, a computer server would record all data and generate draws, and prizes could be easily adjusted often to keep interest in the lottery high.

4. Lucky Invoice – Portugal:

a) The first part of the presentation was dedicated to the introduction of the e-invoice system. This system requires all traders to always issue invoices on all transactions, even if not requested by the buyer. Additionally, all companies had to report all invoices and their elements on a monthly basis to the tax authorities.

b) In a second step the second policy of the Portuguese tax authorities was presented, a tax invoice and receipts lottery on all VAT relevant transactions.

c) One draw per week based on coupons. The number of coupons an individual receives is dependent on the value of the receipt that is registered for the lottery. The higher the amount of the purchase, the higher the number of coupons.

d) The event was televised, where the prize is an Audi A4.

e) The fiscal identification number of the consumer needs to be recorded on the invoice.

f) The experience with the lottery scheme so far is relatively limited. The first draw was on April 17, 2014 over 207 million coupons and with 7.9 million buyers and 171000 issuer companies involved. Given the size of Portugal, this can be seen as

significant participation. The draw was broadcasted live on television, attracting 600,000 viewers. While no evaluation of the lottery scheme exists, further steps are currently in planning, including an App to the platform to be usable for mobile phones.

5. Experience of Georgia:

a) The lottery was started together with the goal to introduce GPRS-based cash registers throughout the country in 2012.

b) The lottery was drawn on receipts every day, giving out a number of relatively small prizes (GEL 10, 20, 50 and 100; corresponding to EUR 4-40). This was supplemented by a larger prize twice per month (GEL 10000 or EUR 4087) and a prize of GEL 50000 (EUR 20436) every three months.

c) In order to participate in the lottery, costumers had to collect the receipt issued by a GPRS-based cash register. Receipts could be checked from the moment of issuing the receipt until the expiry in one month. By checking the unique code of the receipt, the buyer automatically received the lottery result.

d) Although the tax lottery system was originally envisaged to run for one year, it was stopped in 2012 itself, arguably due to lack of resources as well as due to the analysis that showed that the lottery had only been effective at the first stage of implementation.

e) As the lottery was introduced together with other measures, the impact of just the lottery would be very difficult to determine.

6. Experience of Taiwan:

a. **Rolling Rewards** is a gamification technique used by the Taiwanese government to ensure tax compliance. Under this rewards program, all receipts issued in Taiwan come with a unique receipt number, which automatically registers in the lottery. Every odd-numbered month, citizens can check if their receipt number matches the winning prize for a chance to win.

b. The Uniform Invoice or Unified Invoice, is a type of receipt in Taiwan that is issued by merchants for selling products and services, kept by both seller and consumer, with a 8-digit number for each one, for taxation purposes, managed by the Ministry of Finance of the Republic of China (Taiwan) existing in many forms such as physical invoice books with pre-printed centralized invoice numbers, in form of allocation of pre-assigned centralized invoice numbers to the suppliers for use in their cash registers, and recently in the form of electric uniform invoices with centralized number generation. These Uniform Invoice also features a lottery-like feature drawn every two months.

c. It is to be noted that since the system was introduced in 1951, when there was no computing power available, **the businesses had to manually buy numbered invoice format papers from the government and issue the same to the public**. How this system will report the taxable values to the government and how tax evasion techniques like under-invoicing, duplicate invoicing etc can be prevented under this method is not discussed anywhere including the taxation websites of the government of Taiwan.

Kerala - Lucky Bill mobile app prize scheme

1. The scheme was first introduced to the public in the budget speech presented in the Kerala Legislative Assembly on 11th March 2022 is extracted below:

"A new mobile application named Lucky Bill App will be introduced for submitting tax returns. GST invoices can be uploaded by the public through this application. The selected users will be given gifts. State Goods and Service Tax Department can examine the status of the tax return filings. This application will help to ensure the taxation rules are strictly followed. An amount of Rs. 5 crore is allocated for Lucky Bill App."

2. The "Lucky Bill App" is for the customers to upload images of invoices they get from dealers. The mobile app will read/scanned by the app using Optical Character recognition(OCR) and the details of GSTIN, Invoice Number, Invoice Date and Invoice Amount will be captured by the system automatically. The major purpose of the scheme was to inculcate the culture of "Ask for Bill" among the general public and for ensuring tax compliance by the Taxpayers.

3. To make the usage of Mobile Application attractive among general public, a prize scheme was introduced for citizens for uploading the purchase invoice details through the mobile app. The gift packages for lucky draw winners are provided from State Public Sector Units thereby promoting the business of public sector undertakings also. The prizes are awarded using a software application developed by Digital University based on randomized algorithm. The mobile app has a dedicated back-end application for handling the requirements including for prize selection, reward partner communication and distribution.

4. Government of Kerala vide G.O (Rt) No.632/2022/TAXES dated 12.08.2022 approved the Lucky Bill App Scheme and delegated the operational details of the scheme to the Commissioner of State Tax. Based on the authority granted vide the G.O referred above, the lucky bill app prize scheme was designed.

5. **Lucky Bill Prize Structure:**

Type of Draw	Prize Structure	No of Winners
Daily Draw	Kudumbasree Gift Package worth Rs.1000/-	25
Daily Draw	Vasuvaree Gift Package worth Rs.1000/-	25
Weekly Draw	KTDC Family Package	25
Monthly Draw	Cash Prize of Rs.10 lakh	1
Monthly Draw	Cash Prize of Rs.2 lakh	5
Monthly Draw	Cash Prize of Rs.1 lakh	5
Quater Bumper Draw	Cash Prize of Rs.25 lakh	1
Christmas Bumper Draw	Cash Prize of Rs.25 lakh	1

6. Conditions for uploading of invoices and Eligibility criteria for the participation of Lucky Bill mobile app draw:

a. Users can upload all kinds of invoices/bills/documents they have received from dealers/suppliers in the app.

b. Eligibility criteria for the participation of lucky Bill mobile app draw:

1. The user uploading the invoice/bill must be a Citizen of India.
2. The user must be uploading the invoice/bill from the geographic limits of Kerala.
3. The image of the invoice/bill uploaded must be of an original one and not a forged/fabricated one.
4. The image of the invoice / bill uploaded should be complete.
5. The user uploading the invoice/bill must be the person/family member who purchased the goods or services. i.e. Invoices/Bills uploaded by a user other than purchaser is not eligible for participation in the lucky draw.
6. The invoice/bill shall be issued by a GST registered taxpayer in Kerala.
7. The GSTIN in the invoice shall begin with the state code "32"
8. Invoices for non-GST goods, LPG and electrical energy will not be considered for draw.
9. The minimum value of the invoice/bill shall be above Rs.200.
10. Maximum invoice/bill value has no limit.
11. The B2B Invoices/bills i.e. issued by one registered person in GST to another registered person in GST are not eligible for participation in the lucky draw.
12. The invoices/bills are received either for the purchase of goods or for availing services or for both.
13. Multiple uploading of same invoice/bill will be counted as a single invoice/bill.
14. The invoices/bills issued from 01.08.2022 will only be considered for the draw.
15. The invoices/bills uploaded during the day/month/quarter will only be considered for the respective lucky draw.

c. Hence, in case any user is selected as a winner in the lucky draw and found ineligible based on the eligibility criteria mentioned above, his/her selection will be rejected.

d. Uploading of forged invoices in the app is an offence under sections 463,464 of Indian penal code and relevant sections of the Information Technology Act, and such act shall be liable for criminal prosecution. Commissioner also reserve the right to block such users found in uploading forged invoices and repeatedly uploading invalid/junk documents.

7. Terms related to selection of winners, verification and mode of intimation of results of the Scheme:

The processing of invoices, selection of winners and publication of results of this scheme includes a five step process:

Step -1: Pre-processing documents uploaded through the App – The details of the document uploaded in the app are read by the app using OCR technology. Sometimes the primary details (GSTIN, Bill Date, Invoice/Bill No, Amount, and other related data) from the Bill image may not be readable by the App due to the lack of clarity of printed bills. In such cases, the facility has given the user to edit the bill details manually through the form. The veracity and accuracy of these edited details are to be checked. Further, it has to be verified whether the uploaded document qualifies as an invoice or is an invalid document. This verification is done through a combination of artificial intelligence and machine learning techniques, and in high-value cases, by manual verification. As more and more bills are

uploaded and processed, it was expected that the AI system will improve, making the manual verification process minimal.

Step -2 Computation of chances - The invoices filtered after step 1 will go through this step. The number of chances a single uploaded invoice will get to participate in a draw is determined by the invoice amount. The invoice ranges and the step size for computing the winning chances is referred in the table below. This is configured in the system.

Min. Inv. Amount	Max. Inv. Amount	Step size	Max Chances	Comment
0	200	NA	0	Bill not considered for draw
201	1000	NA	1	One chance
1001	10000	1000	9	One chance for every 1000 INR spend
10001	20000	5000	10+2	One chance every 5000 INR spend above INR 10000
20001	50000	15000	10+2+2	One chance every 10000 INR spend above INR 20000
50001	100000	25000	10+2+2+2	One chance every 50000 INR spend above INR 50000
100000	200000	50000	10+2+2+2+2	One chance every 50000 INR spend above INR 100000
200001	Any	NA	20	Max chances

Step 3- Randomised selection by algorithm

After chance computation of all the invoices for the draw period as envisaged in step 2 above, a random selection algorithm will be applied by the system to select the number of winners. The steps-2 and 3 are scheduled tasks in the software application. The process makes use of the reward schedules to identify the offers against which the rewards should be distributed. These tasks are scheduled as below.

Sl No.	Type of Lucky Draw	Schedule date of lucky draw
1	Daily Draw	Next Day
2	Weekly Draw	First Day of Next week
3	Monthly Draw	First Day of Next Month

Bumper draw will be scheduled considering the festival season. With regard to the different types of daily draw prizes, i.e. vanasree and kudumbasree gift packets, the random selection of winners will be mutually exclusive. i.e. the winner of kudumbasree gift packets will be excluded from draw of vanasree gift packets and vice versa.

The winning invoice of daily draws is also considered for weekly draws, monthly draws and bumper draws. Similar would be the treatment for winning invoices of weekly draws and monthly draws. Steps 1 and 2 will be completely automated processes without any manual intervention and the computation and selection are through an algorithm developed by the Kerala Digital University.

Step 4 -Manual verification by the Department:

The list of winners of the lucky draw as per step -3 will be made available in the admin portal of the application after the lucky draw. An authorized user of the Admin Portal shall have access to the winner details (per offer per draw). The Admin user shall manually verify the winning invoices, for the purpose of verifying the adherence to eligibility criteria, and can approve/reject the winners. The result will be published only after the admin user explicitly asks the system to do so. The invoices

submitted by cash prize winners and any other prize winning invoices, which the commissioner feels so, shall be subjected to field verification.

Step-5 - Mode of publication of result and intimation to winners

Immediately after step-4 is completed, the winners shall be intimated through a notification in the lucky bill app. The result will also be published in the lucky bill app page of the department website <https://keralataxes.gov.in/2022/08/01/lucky-bill/> and through such other modes as the Commissioner may deem fit. An **audit trail** is incorporated in the system to ensure transparency of all the process.

8. Terms related to distribution of prizes / rewards:

a. Rewards in the nature of goods like gift packets of Kudumbasree/Vanasree will be delivered to the address of the user selected on luck draw by the department through the suppliers with whom a Memorandum of Understanding (MoU) was signed by the department. The user shall update full and complete address in the app including pin code, if not done at the time of registration in the app. The user shall acknowledge the receipt of the goods with the delivery agent.

b. Rewards in the nature of availing service of accommodation packages of KTDC, the details of the user will be shared to KTDC. The user can approach KTDC and avail the gift package by providing documents proving their identity.

c. The payment of prize money will be transferred to the bank account of the user selected in the lucky draw after deducting such amounts required under any agreement or under any law.

d. The prize winners claiming prize money in the form of Cash reward shall have a valid bank account. The commissioner may require these prize winners to provide KYC documents and/or PAN.

e. Income tax, Surcharge and other statutory levies will be deducted from the prize claims and remitted to Income Tax Department as per rules.

f. Criminal action will be taken against those who uploads forged invoice/bills.

g. The prize winner shall provide the bank account details within 60 days of declaration of prize money. Prize money which are not claimed within a period of 60 days by providing the bank account from the date draw of the results, will not be disbursed and the prize money of these tickets will become the property of the Government. The bank transfer will be through Direct Benefit Transfer method (DBT).

h. Special Terms and Conditions prescribed by the respective units shall be applicable for Kudumbasree / Vanasree Gift Packet. Special Terms and Conditions prescribed by KTDC are applicable for KTDC Gift Package.

i. **Interpretation:** If any question, doubt or a dispute arises regarding the interpretation of any of these matters not expressly provided in these terms and conditions and guidelines the same will be decided by the Commissioner and the decision there on shall be final.