GSTN issues FAQs on mandatory Ship-to field capture and voluntary closure mechanism in the e-Way Bill system

GSTN has released detailed FAQs clarifying two significant changes in the e-Way Bill system that are proposed to be implemented from **1 August 2026**: (i) mandatory capture of the **Ship-to GSTIN** in specified transactions, and (ii) introduction of a **voluntary e-Way Bill (EWB) closure facility**.

1. Mandatory Capture of Ship-to GSTIN

Applicability

- Mandatory in **Bill-to/Ship-to** and certain **combination transactions** where the consignee is registered under GST.
- If the consignee is unregistered or GSTIN is unavailable, the value **"URP" (Unregistered Person)** must be entered wherever applicable.

Key Validations

GSTN has introduced system validations to ensure:

- Valid Ship-to GSTIN details.
- Consistency between GSTIN, State Code, and PIN Code.
- Proper distinction between Bill-to and Ship-to parties where required.

Purpose

The change aims to:

- Improve traceability of goods movement.
- Enhance reconciliation between invoices and e-Way Bills.
- Reduce mismatches and opportunities for tax evasion.
- Strengthen audit trails in complex supply-chain transactions.

2. Voluntary Closure of e-Way Bills

New Facility

GSTN has introduced a mechanism allowing:

- Supplier
- Recipient
- Transporter
- Authorized person

to voluntarily close an e-Way Bill after successful delivery of goods.

Features

- Available through both the **EWB portal** and **API-based systems**.
- Helps indicate completion of transportation before expiry of e-Way Bill validity.
- Provides better visibility on the status of goods movement.

Benefits

- Improved logistics tracking.
- Better control over completed consignments.
- Reduced risk of misuse of active e-Way Bills after delivery.
- Enhanced compliance monitoring.

Action Points for Taxpayers and ERP Vendors

- Update ERP/GSP/API integrations to capture Ship-to GSTIN correctly.
- Ensure validation logic aligns with GSTN requirements.
- Familiarize logistics and compliance teams with the new closure process.
- Conduct testing in the GSTN sandbox environment before production rollout.

Effective Date

Both the mandatory Ship-to GSTIN capture requirement and the voluntary e-Way Bill closure facility are scheduled to be implemented from **1 August 2026**.

Key takeaway: Businesses involved in Bill-to/Ship-to transactions should review their invoicing and e-Way Bill generation processes immediately to avoid disruptions once the new validations become mandatory.