



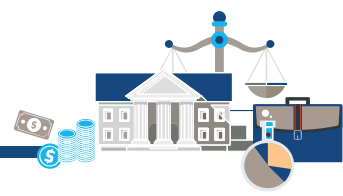
Introduction of Invoice Management System (IMS)

On September 3, 2024, the GST Network (GSTN) announced the launch of a new Invoice Management System (IMS) on the GST portal, set to go live on October 1, 2024, and be available to taxpayers from October 14, 2024. The IMS is designed to address common challenges in managing invoices and claiming Input Tax Credit (ITC), providing a more streamlined and efficient process for both taxpayers and their suppliers. It aims to enhance transparency and reduce errors. Its key features include the ability for recipients to accept, reject, or keep invoices pending, as well as seamless integration with existing GSTR filings for automatic updates on invoice amendments, simplifying reconciliation for users.

This document highlights the key features of the newly introduced IMS facility:

A. Key Features of the IMS:

- **Efficient Invoice Management:** The IMS allows recipient to accept, reject, or keep invoices pending, providing flexibility to address discrepancies at their convenience. The supplier will also be able to see the actions taken by the recipient in their IMS
- **Invoice Availability:** Invoices saved in Form GSTR-1, Form GSTR-1A, the Invoice Furnishing Facility (IFF) by the supplier will appear on the recipient's IMS dashboard. Any amendments made to invoices by the supplier before filing their Form GSTR-1 will automatically update the invoice status on the recipient's IMS dashboard
- **Integration of Forms GSTR-2B and GSTR-3B:** Invoices will be populated in Form GSTR-2B by the 14th of the following month, reflecting actions taken by the recipient. Recipient can continue to accept, reject, or mark invoices as pending until Form GSTR-3B is filed. Once Form GSTR-3B is filed, no further actions on those invoices will be allowed
- **Mandatory Recalculation:** If any actions on an invoice are taken after a draft Form GSTR-2B has been generated, the recipient must recompute the Form GSTR-2B prior to filing Form GSTR-3B



B. Categorization of Invoices Based on Actions Taken:

Action	Impact
Accepted	These invoices will reflect in the 'ITC Available' section of Form GSTR-2B and will be auto-populated in Form GSTR-3B as eligible ITC
Rejected	These invoices will appear in the 'ITC Rejected' section of Form GSTR-2B and will not be considered for ITC in Form GSTR-3B
Pending*	These invoices will not be considered in Form GSTR-2B or Form GSTR-3B until further action is taken. Pending invoices can be carried forward in the IMS dashboard and addressed in future returns, as long as they comply with the timeline prescribed under Section 16(4) of the CGST Act, 2017
No Action	Invoices with no action will be treated as deemed accepted when Form GSTR-2B is generated

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Dashboard > Returns > IMS Dashboard > Inward Supplies

IMS Dashboard (Inward Supplies) - B2B Invoices (with all status) [VIEW ADVISORY](#) [HELP](#)

GSTIN - 32UATPY9011N1ZD Legal Name - UATPCO Trade Name - GSTN

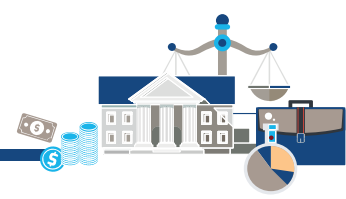
Records Per Page: 10 Display/Hide Columns: Search Filter

<input type="checkbox"/>	S.No.	GSTIN of Supplier	Trade/ Legal Name	Invoice Number	Invoice Type	Accept	Reject	Pending	Status
<input type="checkbox"/>	1	32UATPY9011M1ZF	GSTN	M1b1	Regular	A	R	P	Accepted
<input type="checkbox"/>	2	32UATPY9011M1ZF	GSTN	M1b2	Regular	A	R	P	Accepted
<input type="checkbox"/>	3	32UATPY9011M1ZF	GSTN	M1b3	Regular	A	R	P	Accepted
<input type="checkbox"/>	4	32UATPY9011M1ZF	GSTN	M1b4	Regular	A	R	P	Rejected

Note: Pending action will not be allowed for:

- An original credit note
- An upward amendment of a credit note irrespective of the recipient's action on the original credit note
- A downward amendment of a credit note if the original credit note was rejected by the recipient
- A downward amendment of an invoice or a debit note where the original invoice or debit note was accepted by the recipient and the respective Form GSTR-3B has also been filed

In the above scenarios, if the recipient rejects the transaction in the IMS, the supplier's liability will increase in their Form GSTR 3B of the subsequent tax period.



C. Additional Considerations:

- **Amendments by Suppliers:** Any changes made to saved invoices in Form GSTR-1 before filing will automatically update in the IMS, replacing the original invoice regardless of any prior action taken by the recipient. If amendments are made through Form GSTR-1A after filing Form GSTR-1, these changes will also appear in the IMS. However, the corresponding ITC will be reflected in the recipient's Form GSTR-2B generated for the following month only
- **Sequential Generation of Form GSTR-2B:** The system will now generate Form GSTR-2B for a particular return period only after Form GSTR-3B for the previous period has been filed and for quarterly filers under the QRMP scheme, Form GSTR-2B will be generated on a quarterly basis
- **Suppliers' consideration on rejected invoices by the recipient:** Suppliers should verify recipient's actions on invoices before filing their Form GSTR-1 to ensure that necessary adjustments are made. They must also review these actions even after filing their Form GSTR-1 and before filing Form GSTR-3B so that they can make any required corrections through Form GSTR-1A to ensure accurate tax liability
- **Recipients' consideration on amended invoices by the supplier:** If the original and the amended transactions fall in different Form GSTR 2B periods, action must be taken on the original record and the corresponding Form GSTR 3B filed before addressing the amended record. If both transactions are in the same Form GSTR 2B period, only the amended record will be considered for input tax credit in Form GSTR 2B.

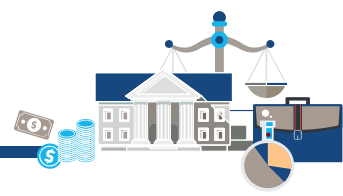
D. Records not Included in IMS:

The following records will not be included in the IMS but will flow directly to Form GSTR-2B:

- Documents from Form GSTR-5 and Form GSTR-6
- ICEGATE documents
- Inward supplies under reverse charge mechanism reported in Table 4B of Form GSTR-1 or IFF.
- Ineligible ITC as per Section 16(4) of the CGST Act or due to place of supply rules.
- Documents where ITC to be reversed on account of Rule 37A

Dhruva Comments:

The IMS is designed to foster transparency between suppliers and recipients, simplifying the reconciliation of invoices and ITC claims. The system is expected to significantly reduce errors and streamline the compliance process. With the action initiation date scheduled for 14th October 2024, businesses should review their compliance procedures and ensure they are prepared for the changes.



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