



Invoice Management System (IMS)

NEW DEVELOPMENT BY GSTN

What is Invoice Management System?

- ∅ **Functionality Developed for managing the invoices / credit notes / debit notes issued by the suppliers.**
- ∅ **The recipients can take actions on these documents.**
- ∅ **The IMS is proposed to facilitate the availment of Input Tax Credit by the recipients.**
- ∅ **The correct availment of the credit is expected to reduce the litigation related to availment of the input tax credit.**



When IMS will be implemented?

- ∅ IMS will be launched on the GST Portal from 1st October 2024
- ∅ The taxpayers can take actions on the received invoices/records from 14th October 2024 onwards.
- ∅ IMS can be accessed at below path on GST Portal

Dashboard > Services > Returns > Invoice Management System (IMS) Dashboard.



IMS Design & flow

How does the Invoice Management System (IMS) operate?

How does the Invoice Management System (IMS) operate?

IMS Source

GSTR-1, GSTR-1A, IFF
filed by the suppliers

Actions by the recipient –

Accept, Reject and Pending
No Action = Deemed Acceptance

GSTR-2B



Key Points of IMS

- ∅ IMS facility is optional.
- ∅ No Action = Deemed Acceptance
- ∅ Documents which will not appear in IMS
 - Ineligible Credit due to POS
 - Time Barred documents (Section 16(4))
 - RCM Invoices
 - Bills of Entry
 - ISD Invoices
 - Documents where ITC is reversed on account of nonpayment of consideration (Rule 37A)



Key Points of IMS

- ∅ Compulsory Action on following documents,
 - Original Credit Note
 - Upward Amendment in Credit Note
 - Downward Amendment in Credit Note
 - Downward Amendment in Invoice / Debit Note

- ∅ Action to be taken on all the invoices irrespective whether the credit is eligible or otherwise.

- ∅ Pending records will not form part of GSTR-2B



Key Points of IMS

- ∅ Excel Download of IMS Data is available.
- ∅ Action to be taken on GSTN portal – Option of multiple record selections available.
- ∅ Multiple Actions on same document are allowed before filing of GSTR-3B.
- ∅ In case of rejection of the credit note, the supplier liability will be added in subsequent month.
- ∅ In case of acceptance of the credit note, the ITC eligible will be reduced.

Impact of IMS

Recipient

- ∅ Change in process of availment of Input Tax Credit
- ∅ Transaction wise acceptance of records on GSTN portal.
- ∅ 3rd Set of record w.r.t. ITC apart from GSTR-2B and Books of Accounts
- ∅ Reduction in litigation???

Supplier

- ∅ Impact of invoices rejected by the suppliers.
- ∅ Impact of credit note rejected by the suppliers.
- ∅ Check on the actions taken by the recipient

Practical Issues related to IMS

- What is background for some compulsory actions in IMS?
- Credit Notes are issued for wrong invoice / mistakes in invoices, cancellation of orders
- Credit Notes are issued in next month for the month end invoices
- Credit note issued for rejection of the goods by the Customer
- Credit notes are issued for excess invoicing done
- Credit notes Invoice raised on the wrong GSTN

Practical Issues related to IMS

- What will be impact in case the recipient rejects the credit note as it is compulsory action and also keep the corresponding invoice pending in IMS?
- What will be impact of the credit notes which are issued after implementation of IMS but for earlier period invoices i.e. invoice prior to IMS implementation?
- Is there challenge in managing the records in IMS on GSTN portal?
- Which are the business processes which will get impacted on implementation of IMS?
- What taxpayers need to do to prepare themselves for implementation of IMS?



Recent Amendment s in GST

Recent Amendment in GST



Omission of Rule 96 (10), Rule 89 (4A) and (4B) – Related to refund to exporters

- Now, the CGST Rules, 2017 has been amended to omit the Rule 96 (10) from the CGST Rules, 2017.
- After omission of Rule 96 (10) of CGST Rules, 2017, **EOUs / Advance Authorisation Holders / Exporters procuring goods with concession rate of 0.1% GST** can opt for payment of IGST on the export invoices and claim the refund on the same.
- Further the CGST Rules, 2017 has also been amended to omit Rule 89 (4A) and Rule 89 (4B) of CGST Rules, 2017.
- With these changes **EOUs / Advance Authorisation Holders / Exporters procuring goods with concession rate of 0.1% GST** has two options to claim the refund of input tax credit,
 - Refund of input tax credit of Input and input services under Rule 89 (4) under which the refund is granted in the ratio of Exports to Total Turnover in the state.
 - Refund of IGST paid on export invoices by paying IGST by utilising the input tax credit.
- The above change is applicable from the date of notification i.e. **8th October 2024**

Recent Amendment in GST



Time Limit for raising the invoice under Reverse Charge Mechanism

- The invoice under RCM be needs to be issued within period of 30 days from the date of receipt of the services. (Rule 47A has been inserted in CGST Rules, 2004)

Procedure for amnesty Scheme (Rule 164)

- Effective from 1st November 2024.
- Payment of Tax before 31.03.2025
- Full payment of demand raised in the notice.
- Submission of Form GST SPL-1 and GST SPL-1
- Approval from the Jurisdictional Authority

Services by way of renting of property

- Service by way of renting of **any property other than residential dwelling** from Unregistered Person to Registered Person covered under RCM. The registered person has to pay GST under RCM.

Recent Amendment in GST



Supply of Metal Scrap

- Metal Scrap falling under 72, 73, 74, 75, 76, 77, 78, 79, 80 or 81 will be subjected to RCM in case purchased from unregistered person.
- TDS @2% on B2B supplies of Metal Scrap

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- Approval from the Jurisdictional Authority

THANK
YOU

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