GST - Invoice Management System

CA SWAPNIL MUNOT

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GST Return – ITC Journey So far……..

July 2017 ➔ GSTR 1 , GSTR 2 , GSTR 3

July 2017 / Aug 2017 : GSTR 3B (Temporary Arrangement

Around Oct 2018: GSTR 2A made available on Portal

27th / 28th / 31st / 35th / 37th GST Council Meeting **from May 2018 till Sep 2019 ➔** ANX 1, ANX 2, RET 1, RET 2, RET 3

Oct 2019: Rule 36(4) [NN 49/2019]

July 2020 : GSTR 2B (Trial)

GST Return – ITC Journey So far……..

Jan 2021: GSTR 3B made permanent return [NN 82/2020]

Jan 2021: GSTR 2B implemented [NN 82/2020]

Dec 2021: GSTR 2B given legal backing w.e.f 01.01.2022 by FA Act 2021 Sec 16(2)(aa)

Dec 2021: GSTR 2B given legal backing w.e.f 01.01.2022 under Rule 36(4) by NN 40/2021

July 2022: Changes in GSTR 3B Reporting

In between - Electronic Credit Reversal and Re-claimed Statement ; RCM Liability/ITC Statement is introduced

Oct 2024: IMS Introduced

Whats Next ??

GSTN Advisory dt 17.10.24 (Original):

gst.gov.in/newsandupdates

Goods and Services Tax
Government of India, States and Union Territories

Home > News and Updates

Attention – Hard - Locking of auto-populated values in GSTR-3B

Oct 17th, 2024

1.In order to assist taxpayers in filing their returns and minimizing human errors, GSTN has continuously improved the GST return filing process and in this endeavor the GST Portal now provides a pre-filled GSTR-3B form, where the tax liability is auto-populated from the declared supplies in GSTR-1/ GSTR-1A/ IFF, while the Input Tax Credit (ITC) is auto-populated from GSTR-2B. A detailed system generated pdf of the auto populated GSTR-3B is also provided to all the taxpayers.

2.Now, taxpayers also have a facility to amend their incorrectly declared outward supplies in GSTR-1/IFF through GSTR-1A, allowing them an opportunity to correct their liabilities before filing their GSTR-3B. Additionally, to manage inward supplies and ensure accurate ITC claims in GSTR-3B, taxpayers have the option to take informed actions of accept/reject/pending on inward supplies via the Invoice Management System (IMS) which is now available to the taxpayers.

3.It may be noted that tentatively from January 2025 tax period, the GST Portal is going to restrict making changes in auto-populated values in pre-filled GSTR-3B from GSTR-1/1A/IFF or GSTR-2B to further enhance accuracy in return filing system. It is once again suggested hereby that in case any change is required in auto-populated values, the same may please be handled through GSTR-1A or IMS.

Thanking You,
Team GSTN

GSTN Advisory dt 17.10.24 (Amended):

SMM

services.gst.gov.in/services/advisoryandreleases/read/535

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Attention – Hard - Locking of auto-populated liability in GSTR-3B

Oct 17th, 2024

1. In order to assist taxpayers in filing their returns and minimizing human errors, GSTN has continuously improving the GST return filing process and in this endeavor the GST Portal now provides a pre-filled GSTR-3B form, where the tax liability is auto-populated from the declared supplies in GSTR-1/ GSTR-1A/ IFF by the supplier, while the Input Tax Credit (ITC) is auto-populated from GSTR-2B. A detailed system generated pdf of the auto populated GSTR-3B is also provided to all the taxpayers.

2. Now, taxpayers also have a facility to amend their incorrectly declared outward supplies in GSTR-1/IFF through GSTR-1A, allowing them an opportunity to correct their liabilities before filing their GSTR-3B. Additionally, to manage inward supplies and ensure accurate ITC claims in GSTR-3B, taxpayers have the option to take informed actions of accept/reject/pending on inward supplies via the Invoice Management System (IMS) which is now available to the taxpayers.

3. It may be noted that tentatively from January 2025 tax period, the GST Portal is going to restrict making changes in auto-populated liability in pre-filled GSTR-3B from GSTR-1/1A/IFF to further enhance accuracy in return filing. It is once again suggested hereby that in case any change is required in auto-populated liability, the same may please be handled through GSTR-1A.

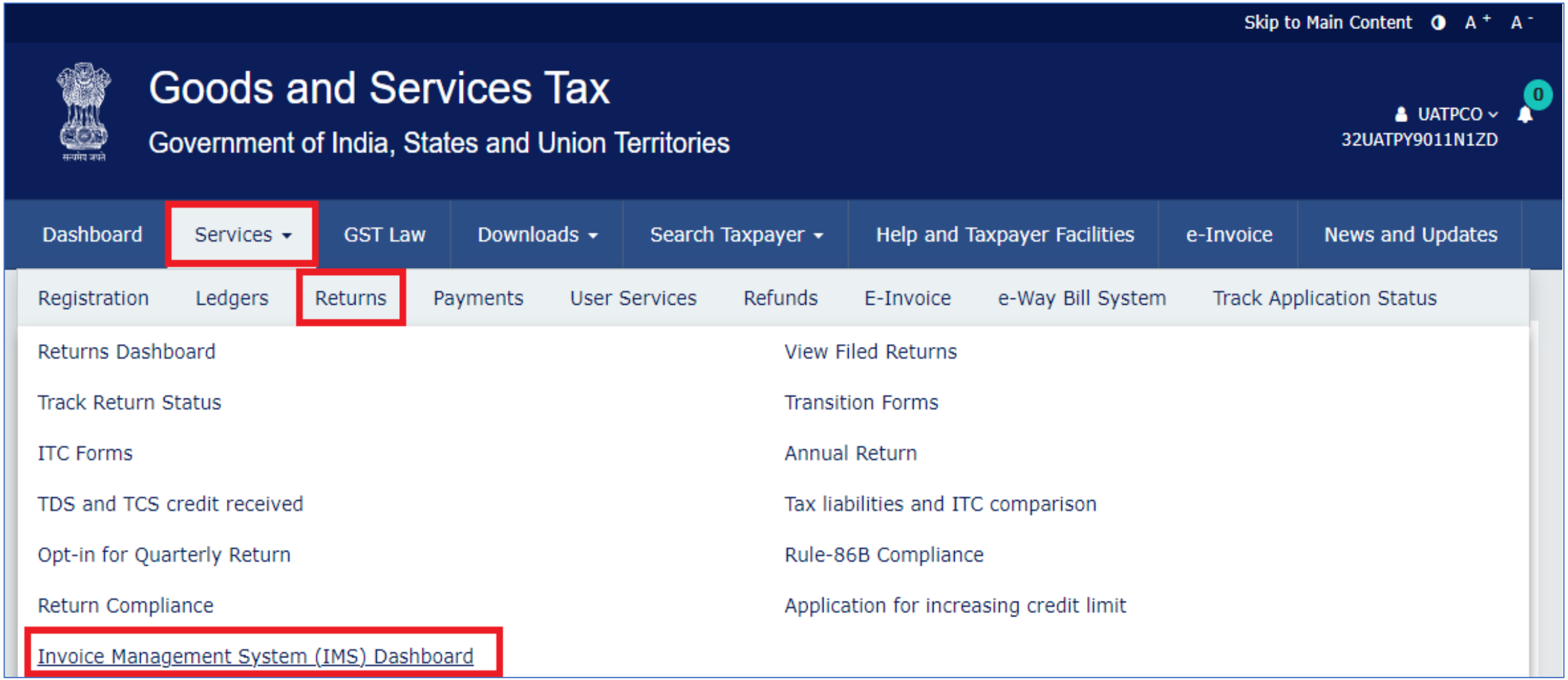
4. However, locking of auto-populated ITC in GSTR-3B, after the roll out of IMS, will be implemented from a later date. For the same a separate advisory would be issued after addressing all the issues related to IMS, raised by the trade.

Thanking You,
Team GSTN

BACK PRINT

Invoice Management System

- IMS Path: www.gst.gov.in ➔ Login ➔ Services ➔ Returns ➔ Invoice Management System (IMS)



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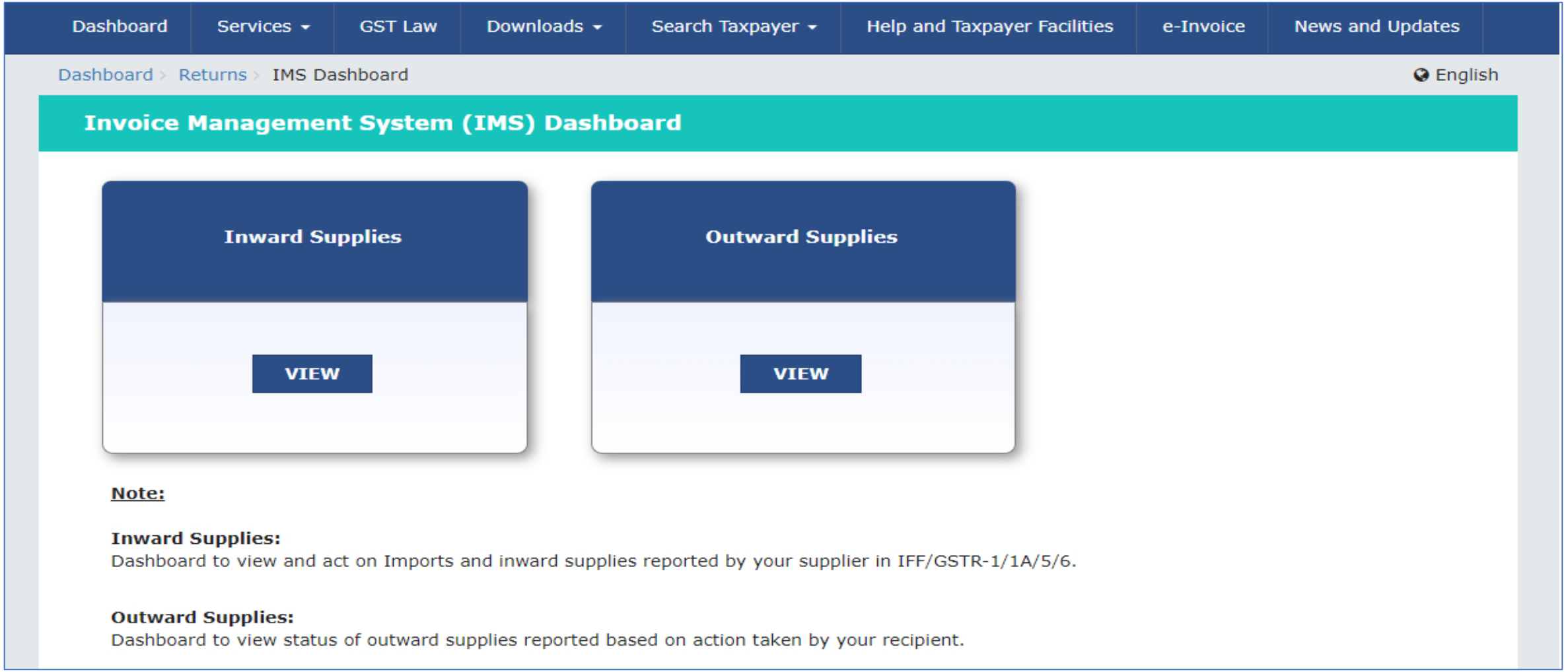
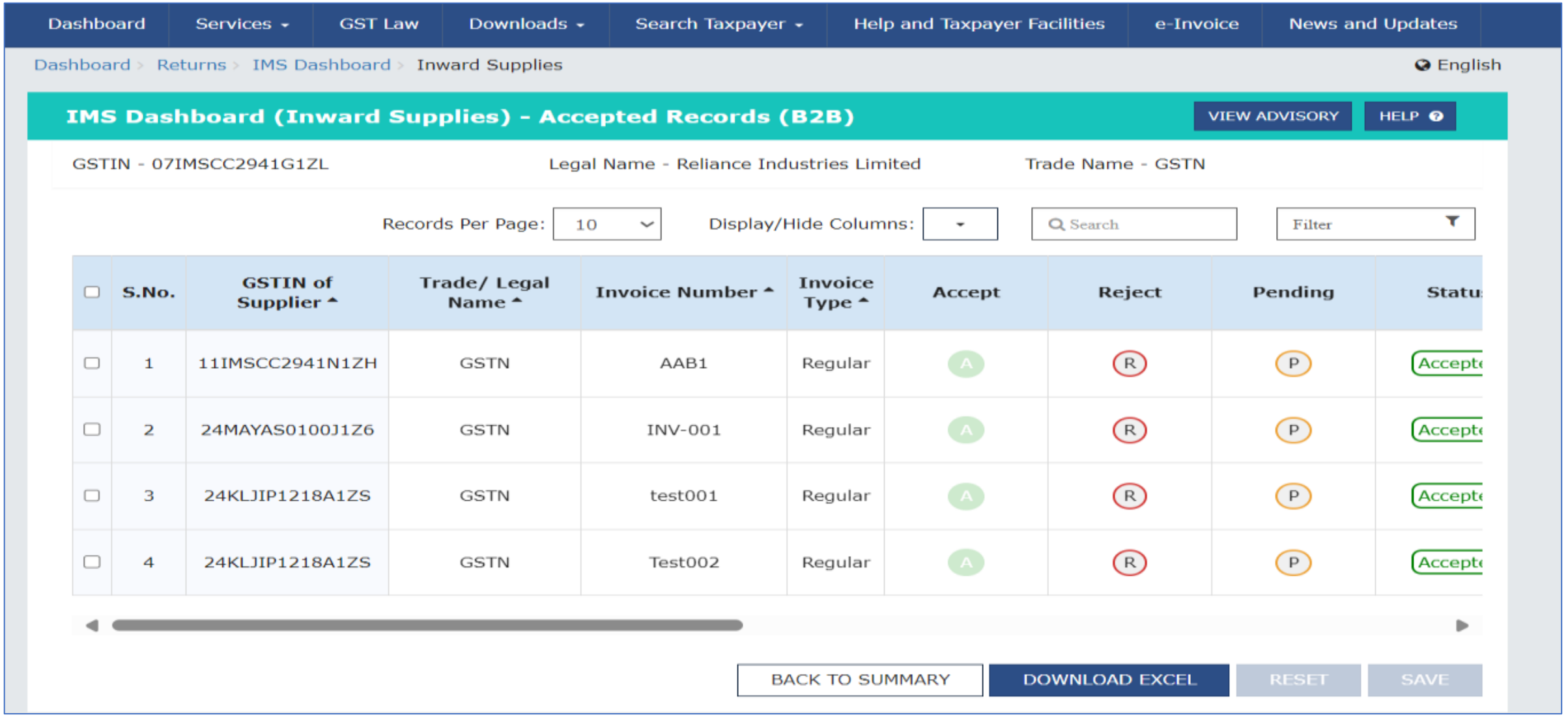


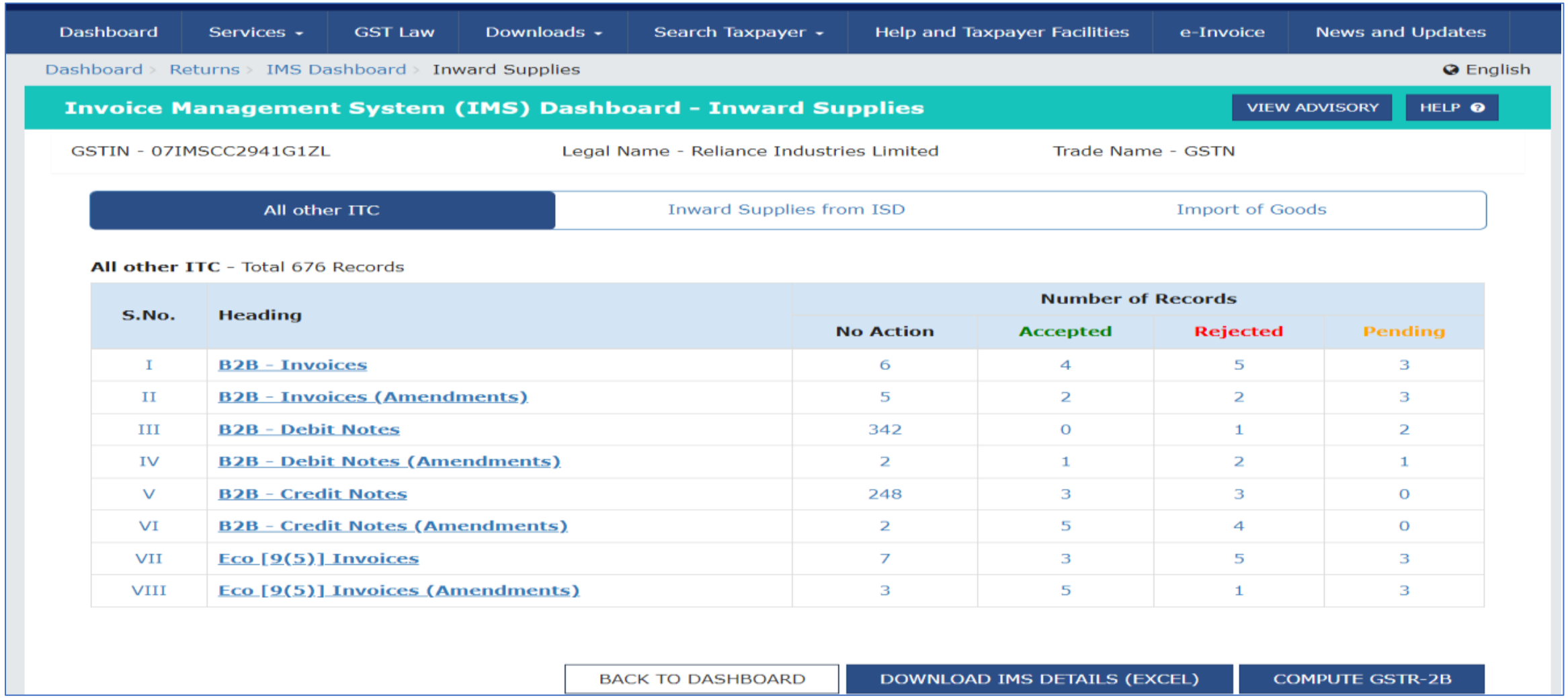
Invoice Management System

- IMS dashboard



Invoice Management System

- IMS Summary dashboard



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Dashboard > Returns > IMS Dashboard > Inward Supplies — English

Invoice Management System (IMS) Dashboard - Inward Supplies — VIEW ADVISORY — HELP

GSTIN - 07IMSCC2941G1ZL — Legal Name - Reliance Industries Limited — Trade Name - GSTN

All other ITC | Inward Supplies from ISD | Import of Goods

All other ITC - Total 676 Records

S.No.	Heading	Number of Records			
		No Action	Accepted	Rejected	Pending
I	B2B - Invoices	6	4	5	3
II	B2B - Invoices (Amendments)	5	2	2	3
III	B2B - Debit Notes	342	0	1	2
IV	B2B - Debit Notes (Amendments)	2	1	2	1
V	B2B - Credit Notes	248	3	3	0
VI	B2B - Credit Notes (Amendments)	2	5	4	0
VII	Eco [9(5)] Invoices	7	3	5	3
VIII	Eco [9(5)] Invoices (Amendments)	3	5	1	3

BACK TO DASHBOARD — DOWNLOAD IMS DETAILS (EXCEL) — COMPUTE GSTR-2B

Invoice Management System

- The said functionality would be a **Major enhancement in the ITC ecosystem of GST**
- IMS will provide the taxpayers **an Opportunity to review the Genuineness** and authenticity of the received invoices
- **No additional Compliance Burden:** This functionality is a facilitation for the taxpayers and will not add any compliance burden on the taxpayers as No Action records shall be considered as Deemed Accepted and the taxpayer's intervention will only be required in case a record need to be Rejected or kept Pending
- **Streamlining Reconciliation process**, and ensuring greater accuracy and efficiency in GST compliance.
- This facility is set to **Transform the way businesses manage their GST**

Invoice Management System

- **Meaning of Various Action Taken in IMS**

Accepted	• There are the accepted records and will be part of GSTR-2B generation. • GST on accepted records will auto-populate in GSTR 3B as eligible ITC
Rejected	• These records will not be considered for GSTR-2B generation; • ITC of rejected records will not auto-populate in GSTR 3B.
Pending	• These records will not be considered for GSTR-2B generation for the month, same will be carried forward in IMS itself for further action in subsequent months
No action taken	• These are the invoices where no action has been taken by the recipient. These will be treated as deemed accepted at the time of GSTR-2B generation

Invoice Management System – Imp Points

- **Saved invoices by Supplier will reflect in IMS of Recipient**: Once the suppliers save any invoice in GSTR 1 / IFF / 1A /the same invoice would be reflected in the IMS dashboard of the recipient
- **Action can be taken till filing of GSTR 3B by Recipient:** These actions can be taken from the time of saving the records in GSTR 1 / IFF / 1A by the supplier taxpayer till the recipient taxpayer files his/her corresponding GSTR-3B.
- **Action on Pending Invoice can be taken at any future point of time:** The invoices which would be kept pending can be availed by taxpayers at any future point of time but not later than the limits prescribed by Section 16(4) of the CGST Act, 2017. Pending records will remain on IMS dashboard and these records can be accepted or rejected in future months
- **Supplier will also be able to see, what action his recipient has taken on invoices in IMS**
- **Action taken invoices to be move out from IMS after filing of GSTR 3B by recipient:** All the accepted/ deemed accepted/ rejected records will move out of IMS dashboard after filing of respective GSTR 3B.

Invoice Management System - How GSTR 2B will work in IMS:

- **Only accepted invoice to become part of GSTR 2B:** Now, only the accepted invoices by the recipients would become part of their GSTR-2B as their eligible ITC
- **Deemed accepted:** If recipient doesn't take any action on an invoice in IMS, then it will be deemed accepted and will move to GSTR-2B as an accepted invoice.
- **Amendment in saved invoices before filing of GSTR 1:** In case, the supplier amends the details of a saved invoices in the GSTR-1 before filling the GSTR-1, in such cases the amended invoice will replace the original invoice in IMS, irrespective of the action taken by the recipient on the original invoice. Any change made in a record/invoice before filing GSTR-1/1A/IFF by the supplier will reset the record's status on recipient's IMS dashboard
- **Amendment in saved invoices after filing of GSTR 1** In case supplier has amended any invoice filed in GSTR-1 through GSTR-1A then same will also flow to IMS, however, ITC corresponding to the same will flow in GSTR-2B of the recipient, generated for the subsequent month only.

Invoice Management System - How GSTR 2B will work in IMS:

- **Only filed and Accepted Invoices to be considered for generation of GSTR 2B:** At the time of generation of GSTR-2B only the filed invoices/records by the supplier, will be considered for the computation of ITC. Such records will be populated in the GSTR 2B after filling of return in GSTR-1/IFF/1A by the supplier
- **Re-computation of GSTR 2B**: The recipient will be free to take actions of accept/reject or keep pending even after generation of GSTR-2B till the filing of GSTR-3B. If recipient taxpayers have taken an action on any invoice after 14th of the month, then he would be required to recompute their GSTR-2B. However, they will not be able to take any action after filing of GSTR-3B for the same month.
  - ✓ In case recipient takes any action after draft GSTR-2B, they will need to recompute their GSTR-2B before filing of GSTR-3B.
  - ✓ COMPUTE GSTR-2B button will get enabled after 14th of the subsequent month by system if the taxpayer takes/changes any action on the IMS dashboard

Invoice Management System - How GSTR 2B will work in IMS:

- **GSTR 2B will not be generated if previous GSTR 3B is not filed:** It may be noted that till GSTR-3B is filed by the taxpayer, GSTR-2B for subsequent month will not be generated
- **Optional Facility**: It is not mandatory to accept or reject invoices in IMS dashboard for GSTR-2B generation. If a taxpayer chooses not to take any action on the received invoices then its GSTR-2B would be generated on 14th of the month as being generated today

Invoice Management System - QRMP Taxpayer:

- The records/invoices saved or filed through IFF by a QRMP taxpayer will flow to IMS for the recipient, and will become part of GSTR-2B, as per action taken by the recipient in IMS on the same.
- The GSTR-2B of the recipient will be generated monthly, unless the recipient is a QRMP taxpayer.
- It may be noted that GSTR-2B will not be generated for Month M-1 and M-2 for QRMP taxpayer. GSTR-2B for a QRMP taxpayer will be generated on Quarterly basis only

Invoice Management System - Pending Action not allowed in below cases:

a) **Original Credit note**

b) **Upward amendment of the credit note** irrespective of the action taken by recipient on the original credit note

c) **Downward amendment of the credit-note if** original credit note was rejected by recipient,

d) **Downward amendment of Invoice/ Debit note where** original Invoice/ Debit note was accepted by recipient and respective GSTR 3B has also been filed

Invoice Management System - Reject Action not allowed in below cases:

a) Bill of entries (IMPG) and amendment thereof.

b) Bill of entries (IMPGSEZ) and amendment thereof

Invoice Management System – Impact on Liability of Supplier

- **The liability of supplier will be increased** in GSTR 3B for the subsequent tax period, for the invoices/records which have been rejected by the recipient in the IMS for the following transactions

a) Original Credit note rejected by the recipient

b) Upward amendment of the credit note rejected by the recipient irrespective of the action taken by recipient on the original credit note

c) Downward amendment of the credit note rejected by the recipient if original credit note was rejected by him,

d) Downward amendment of Invoice/ Debit note rejected by the recipient where original Invoice/ Debit note was accepted by him and respective GSTR 3B has also been filed.

Invoice Management System

- **Following supplies will not go to IMS and will be directly populated in the GSTR 3B -**

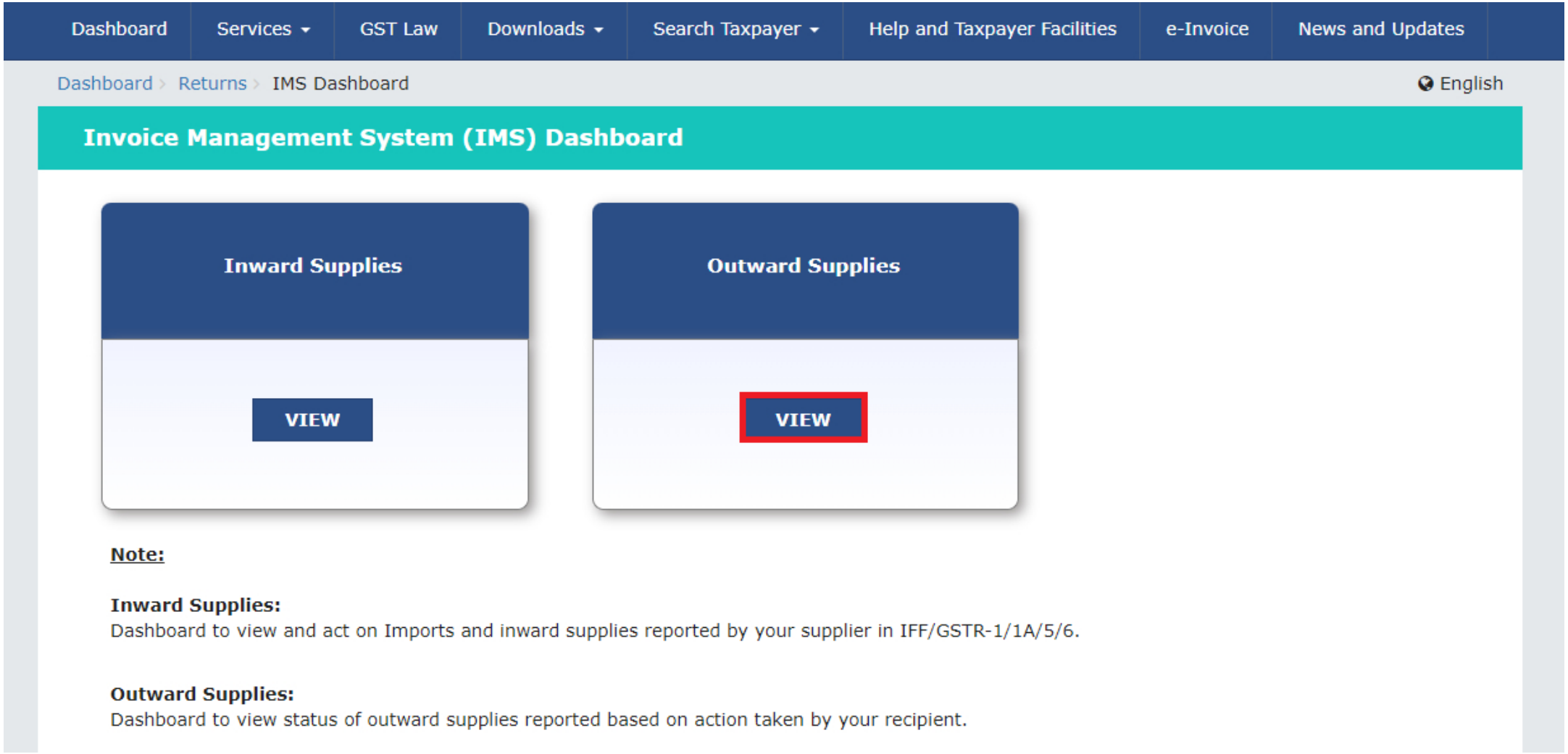
a) **Inward RCM supplies** where supplier has reported in the Table 4B of IFF / GSTR 1 or GSTR 1A and

b) **Supplies where ITC is not eligible due to** section 16(4) of CGST Act or on account of POS rule.

GSTIN FAQ:

18	Will Reverse Charge document received from registered suppliers also form part of IMS ?	No, RCM invoices are not part of IMS but will continue to be part of GSTR-2B as it is being reflected today.

Invoice Management System – Supplier Window



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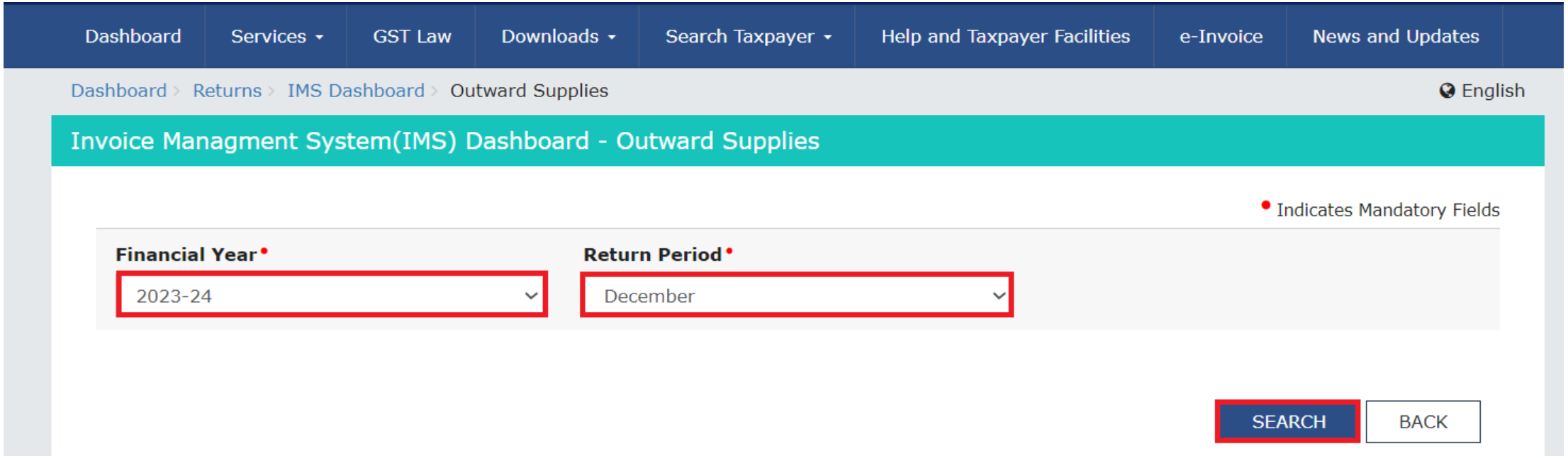

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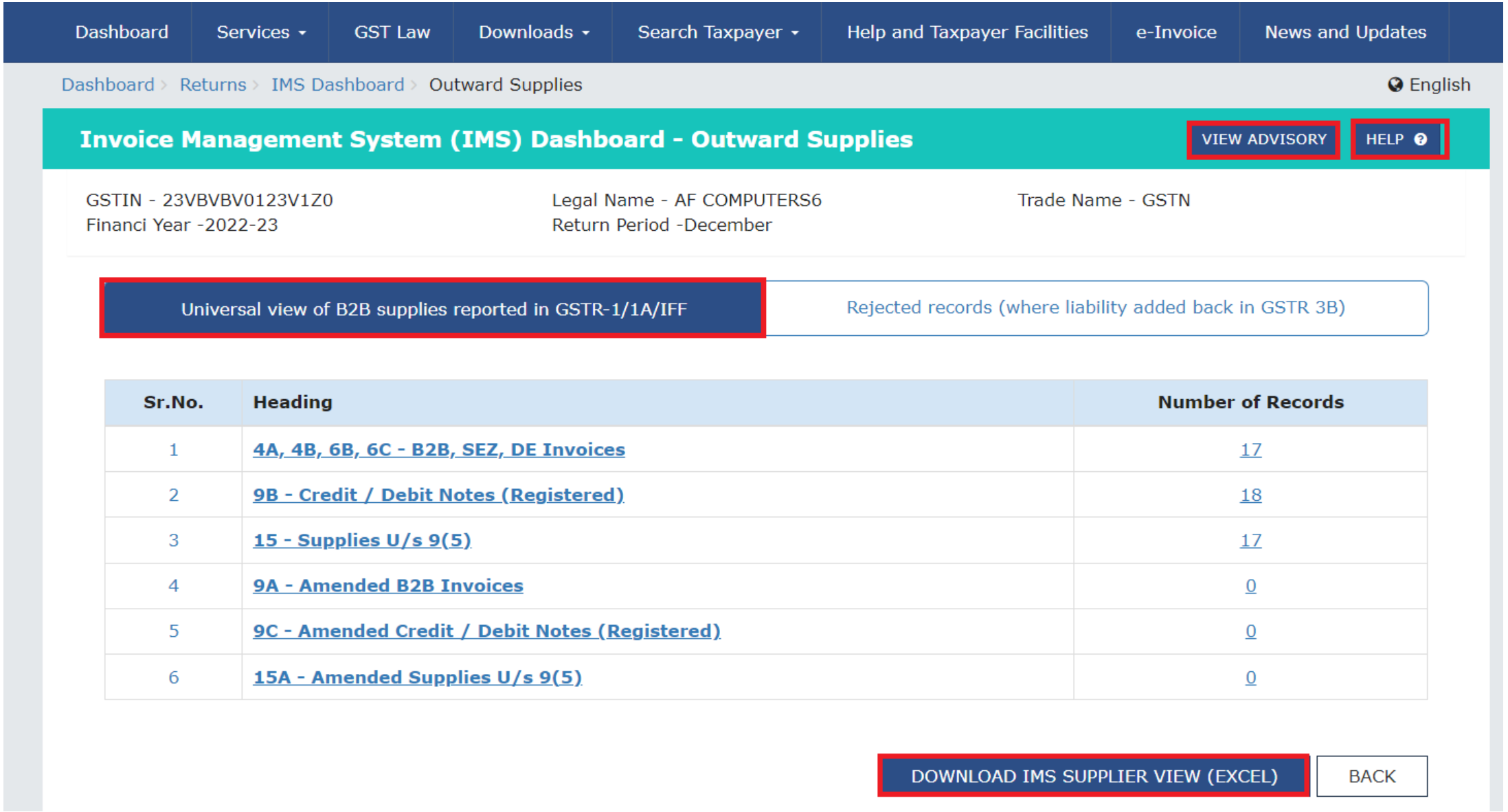

Invoice Management System – FAQ : First GSTR 2B based on IMS

1	Which invoices are visible on IMS dashboard since 14th Oct 2024?	IMS is launched from GSTR-2B return period of Oct'24. Hence, all the records eligible for GSTR2B of Oct'24 return period onwards will be made available on the IMS dashboard. All the invoices which are part of GSTR-2B of Sep'24 or older return periods will not be reflecting in IMS.
2	Which is the first GSTR2B prepared using actions taken on IMS?	The first draft GSTR-2B on the basis of actions taken on invoices/records in the Invoice Management System dashboard would be generated and made available to all the taxpayers on 14th Nov 2024 for the return period Oct'24.

Invoice Management System – FAQ : Compulsory Vs Optional ??

4	Is it mandatory to act on IMS? What happens if no action is taken?	It is not mandatory to act on records in IMS dashboard for GSTR2B generation. The records where no action is taken by the recipient would be treated as accepted by the system and a GSTR-2B would be generated as it is generated presently.

Invoice Management System – FAQ : ITC already reversed on Credit Note

7	How can recipient accept a genuine credit note issued by supplier in IMS as it will result further reduction of the recipient ITC, however recipient had reversed ITC corresponding to invoice itself because of 17(5), Rule 42, 38, 43 etc., or not availed the ITC at all because of POS or 16(4) etc., ineligibility?	In such cases recipient can accept the said credit note in IMS. As recipient had already reversed the ITC, there is no need for reversal of ITC again in case of such credit note.

Invoice Management System – FAQ : Credit Note for wrong invoice is rejected by Recipient. What to do in such case ?

9	What to do in case wrong invoice is corrected by issuance of Credit Note by the supplier instead of amending the same and such Credit note has been rejected by the recipient?	In the absence of linkage of Credit Note with the corresponding invoices, system cannot understand whether original invoice for this Credit Note was accepted or rejected. Therefore, if the invoice is not correct, then it is advisable to rectify the mistake through amendment of invoices in the GSTR 1 instead of issuance of a Credit Note.

Invoice Management System – FAQ : Why it is compulsory to take action on Credit Note case ?

10	Can the Credit Note be kept as pending in IMS? If no, then why?	Credit Note cannot be kept pending in the IMS by the recipient as the supplier has reduced its outward tax liability at the time of issuance of credit note. IMS does not change the existing flow where the documents/records reported by the supplier in the GSTR 1 is accepted and corresponding impact is reflected in the GSTR 2B. Now because of IMS, an additional option has been provided to recipient to reject the credit note if it does not belong to him.

Invoice Management System – FAQ : Liability in case of Credit Note

Rejected by Recipient

11	Whether liability can be added in the same GSTR 3B in case where credit note has been rejected by the recipient before filing of GSTR 3B by the supplier?	No, if a credit note is rejected by the recipient, the liability of the supplier is increased on the portal to that extent in the GSTR 3B of subsequent tax period and not in the GSTR 3B of same tax period.

Invoice Management System - FAQ : Records that will flow directly to GSTR 2B

8	What all documents will not be made available in IMS but will be part of GSTR-2B?	Below records will not be part of IMS but will directly flow to GSTR-2B: 1. Document flowing from the following forms: • GSTR 5 • GSTR 6 2. ICEGATE documents 3. RCM records 4. Document where ITC is ineligible due to: • POS rules • Section 16(4) of CGST Act 5. Documents where ITC to be reversed on account of Rule 37A

Invoice Management System - FAQ : Which taxpayer will access IMS

9.	Who will have access to IMS functionality?	Taxpayers registered as normal taxpayers (including SEZ unit/Developer) and casual taxpayers will be able to access IMS functionality.

Invoice Management System - FAQ : Multiple Times action allowed in IMS

12	Can I take actions multiple time on a document?	Yes, action can be taken multiple times on an invoice/record before filling of GSTR 3B. In case of multiple actions on a record, latest action will overwrite the previous action. However, the action taken will be frozen at the time of filing the corresponding GSTR-3B by the recipient.

Invoice Management System - FAQ : Document Edited by Supplier before filing GSTR 1

17	What If I have taken an action on a document in **saved** status but the same is edited/changed by the supplier before filing his GSTR-1?	In case a saved record is edited before filing of GSTR-1 by the supplier, the edited record will replace the saved document in IMS and the action taken on such record by the recipient will be reset. Thus, the edited record will be available for recipient for fresh action in IMS. Similarly, if a document is deleted before filing of GSTR-1/1A/IFF by supplier then such document will be removed from IMS also.

Invoice Management System - FAQ : What happens if Recipient Reject Invoice

20	What happens if recipient reject a record?	1. If the recipient rejects the record before filling of GSTR 1 by supplier, then the invoice/record can be edited and supplier can file the GSTR 1 with revised detail. This edited record will be made available in the IMS for action by the recipient. 2. If the recipient rejects after filling of GSTR 1 by supplier, then the supplier needs to amend/add the invoice/record in GSTR-1A or in subsequent GSTR 1/ IFF with same or revised details, as the case may be. Amended record will be made available in the IMS for action by the recipient.

Invoice Management System - FAQ : Status of documents on filing GSTR 3B / Status of Pending document

21	What will happen to the documents in IMS on filing of GSTR 3B by recipient?	All the accepted/rejected records belonging to a particular GSTR-2B period will be removed from IMS on filing of GSTR-3B for that particular period.
22	What will happen to the documents kept pending in IMS?	Pending records will continue to be in IMS till the time of cut-off date as per section 16(4) of CGST Act, 2017. Once records crossed the timeline prescribed in section 16(4) of CGST Act, it will be removed from IMS.

Invoice Management System - FAQ : How many times I can regenerate GSTR 2B

27	How many times can I regenerate GSTR 2B?	Before filling of GSTR 3B, there is no restriction on number of times such GSTR-2B can be recomputed/regenerated.

Invoice Management System - FAQ : Impact on Rejection of Credit Note

35	What will happen if the recipient rejects the original Credit Note or upward amended Credit Note?	If the recipient rejects the Credit note and furnished the GSTR 3B then the corresponding liability will be added to the supplier liability in the GSTR 3B of subsequent tax period.

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