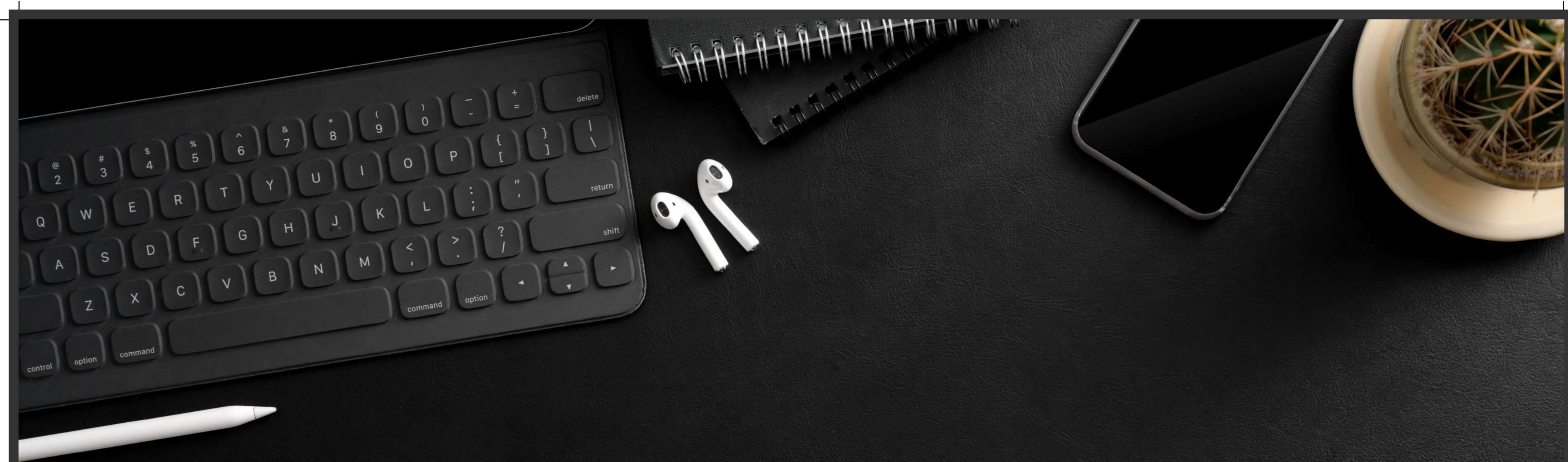


# **Invoice Management System on GSTN**

## **Key Features**







The revised advisory dated September 03, 2024 introduces a new Invoice Management System (IMS) on the GST portal from October 1, 2024 aimed at helping taxpayers manage invoice corrections and amendments more effectively. This system allows recipients to accept, reject, or keep invoices pending, which directly influences the Input Tax Credit (ITC) availability in their GSTR-2B form.





# Effective Date



The IMS will be available from October 1st, 2024 and it will significantly enhance the ITC ecosystem under GST by ensuring that only accepted invoices are part of the recipient's GSTR-2B, thus improving the accuracy of tax credits claimed.

# Key Features

Invoices saved by suppliers in GSTR-1/IFF/1A will appear on the recipient's IMS dashboard. Recipients can accept, reject, or leave the invoice pending until they file their GSTR-3B. If no action is taken, the invoice is deemed accepted.

If a supplier amends an invoice after the recipient has taken action, the amended invoice will replace the original in the IMS. If the amendment occurs before GSTR-1 is filed, the recipient's previous action on the original invoice is nullified.

Invoices kept pending can be acted upon in future periods but not beyond the time limits set by Section 16(4) of the CGST Act, 2017.

# Key Features

Only invoices filed by suppliers will be included in GSTR-2B. Recipients can modify their GSTR-2B if they take action on invoices after the 14th of the month.

GSTR-2B will be generated sequentially, meaning that the system will generate the GSTR-2B for the current period only after the GSTR-3B for the previous period has been filed.

# Process Flow

## Invoice Actions:

- No Action: Deemed acceptance at the time of GSTR-2B generation.
- Accepted: Included in the 'ITC Available' section of GSTR-2B.
- Rejected: Excluded from GSTR-2B.
- Pending: Not included in GSTR-2B for the current month and remains on the IMS dashboard for future action.

# Process Flow

**QRMP Taxpayers:** For QRMP (Quarterly Return Monthly Payment) taxpayers, the records flow into IMS monthly, but GSTR-2B is generated quarterly.

**Special Cases:** Some transactions like inward RCM supplies reported in specific tables or transactions with ineligible ITC will bypass IMS and populate directly in GSTR-3B.

# Process Flow

**Post-Rejection Liabilities:** Rejected records that involve credit or debit notes may lead to increased liability for the supplier in subsequent GSTR-3B filings.

**Amendments and Actions:** The system mandates that action on original records must be completed before any action on amended records if they pertain to different GSTR-2B periods.



# Conclusion

The IMS is a significant step forward in improving the accuracy and compliance of ITC claims under GST. It provides a systematic approach to handling invoices, ensuring that taxpayers can efficiently manage their records, avoid discrepancies, and reduce compliance burdens through streamlined invoice management and reporting processes.

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