

The Institute of Chartered Accountants of India (Setup by an Act of Parliament)



E-Newsletter Oct-2024



NEW INVOICE MANAGEMENT SYSTEM (IMS) FOR SIMPLIFYING GST COMPLIANCE

PANIPAT BRANCH OF NIRC



ICAI MOTTO

य एष सुप्तेषु जागर्ति कामं कामं पुरुषो निर्मिमानः।
तदेव शुक्रं तद्ब्रह्म तदेवामृतमुच्यते।
तस्मिंल्लोकाः श्रिताः सर्वे तदु नात्येति कश्चन । एतद् वै तत् ॥

***Ya esa suptesu jagarti kamam kamam Puruso nirmimanah |
Tadeva sukram tad brahma tadevamrtamucyate |
Tasminlokah sritah sarve tadu natyeti Kascan |
etad vai tat |***

(That person who is awake in those that sleep, shaping desire after desire, that, indeed, is the pure. That is Brahman, that indeed is called the immortal. In it all the worlds rest and no one ever goes beyond it. This, verily, is that, kamam kamam : desire after desire, really objects of desire. Even dream objects like objects of waking consciousness are due to the Supreme Person. Even dream consciousness is a proof of the existence of the self.

No one ever goes beyond it : of Eckhard : 'On reaching God all progress ends.')

The Institute of Chartered Accountants of India (Setup by an Act of Parliament)



INDEX



S.No.	Particulars	Page No.
1	Managing Committee 2024-25	4
2	GST Invoice Management System	5-7

PANIPAT BRANCH OF NIRC

**The Institute of Chartered Accountants of India
(Setup by an Act of Parliament)**

PANIPAT BRANCH OF NIRC



Managing Committee 2024-25



Chairman



**Vice
Chairman**



Secretary



Treasurer



**NICASA
(Panipat)
Chairman**



**Immediate
Past
Chairman**

GST Invoice Management system-w.e.f 01.10.2024-Simplified

Summary: The Invoice Management System (IMS) introduced on the GST portal from 01.10.2024 allows recipient taxpayers to manage invoices received. Initially optional, IMS lets recipients accept, reject, or keep invoices pending until GSTR-3B filing. If no action is taken, invoices are deemed accepted at GSTR-2B generation. IMS mirrors invoices from supplier filings (GSTR-1/1A/IFF) and updates dynamically with any amendments. Recipients can act multiple times until GSTR-3B submission, impacting Input Tax Credit (ITC) availability. Actions include acceptance (for GSTR-2B inclusion), rejection (exclusion from GSTR-2B), and pending (carried forward for subsequent action). Certain scenarios restrict pending actions, such as original credit notes and specific amendments. IMS excludes invoices for inward supplies under reverse charge mechanism (RCM) and ineligible ITC under GST rules. Rejected invoices affect supplier liabilities in subsequent GSTR-3B filings, particularly for credit notes and amendments not accepted by recipients previously. Understanding these dynamics helps recipients and suppliers navigate IMS effectively for GST compliance.

As we all know a new functionality called Invoice Management System (IMS) which will allow the recipient taxpayers to either accept or reject an invoice or to keep it pending in the system, which can be availed later introduced at GST portal with effect from 01.10.2024.

Firstly , this facility will be optional for the time being -it means if no action taken by recipient on any of the invoices reflected in IMS – all invoices will be deemed accepted at the time of GSTR-2B generation and same process will be continued by recipient for filling GSTR-3B.

Secondly, this facility will be available once the suppliers save any of the invoices in GSTR-1/1A/IFF and same invoices would be reflected in the IMS Dashboard of the recipient. Recipient can take any action till the filling of GSTR-3B. Also recipient can take action as many times as he desired till filling of GSTR-3B.

Thirdly , In case supplier amends any invoice before filling GSTR-1, amended invoice will replace the original invoice in IMS, irrespective of the action taken by the recipient on the original invoice.

Fourthly, Clarification needed that in case supplier amends invoices on 15th of succeeding month and that will be reflected in IMS and if accepted by the recipient then corresponding ITC will be available in that particular month or subsequent month . Recipient has to recompute the GSTR-2B in case action taken on any the amended invoices.

Fifthly, what type of action can be taken by the recipient summarized below-

No action taken: These are the invoices/records where no action has been taken by the recipient these will be treated as deemed accepted at the time of GSTR-2B generation;

Accepted: There are the accepted records and will be part of GSTR-2B generation;

Rejected: These records will not be considered for GSTR-2B generation;

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.

Sixthly, Pending action shall not be allowed in following scenarios:

- 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 the recipient and respective GSTR-3B has been filed.

Seventhly, Invoices will not go the IMS in the following cases-

1. Inward RCM supplies
2. ITC which is in-eligible due to Sec 16(4) of CGST Act or on account of POS rule

Lastly, 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.



Author Bio

Name: CA Mamta Chopra

Qualification: CA in Practice

Company: MAMTA CHOPRA AND CO

Location: PANIPAT, Haryana, IN