

Advisory regarding IMS during initial phase of its implementation

Nov 12th, 2024

Invoice Management System (IMS) is an optional facility introduced from October 2024 on GST Portal, on which the invoices/records saved/furnished by the supplier in GSTR-1/1A/IFF, can be accepted, rejected or kept pending by recipients. Based on the action taken by the recipient on the IMS, system will generate the GSTR 2B of the recipient on 14th of subsequent month.

The Taxpayer can accept/reject/keep pending the invoice/record on IMS after due verification from his accounts. The ITC for the rejected record will not be available to the recipient in the GSTR 2B. Further, the liability and input tax credit is being auto-populated in GSTR 3B of the taxpayer on the portal based on his liability declared in GSTR 1/1A and input tax credit made available in his GSTR 2B. However, the taxpayer can presently edit the said auto-populated details in GSTR 3B before filing the same.

IMS, being a new functionality introduced on the portal, there may be cases where in the initial phase of implementation of IMS, the recipient may make error/mistake while taking action (like acceptance/rejection/keeping pending) on the IMS in respect of an invoice/record. As GSTR-2B of the recipient will be generated on the portal based on the actions taken by the recipient on the IMS, any mistake in the action taken by the recipient on the IMS could result in incorrect details of available/eligible input tax credit to the recipient being shown in his GSTR-2B, which will also be auto-populated in his GSTR-3B on the portal. In such cases, the recipient can change the action on the IMS in respect of an invoice/record (e.g. from rejected to accepted or vice versa) and can recompute his GSTR-2B at any time till the filing of GSTR-3B for the corresponding tax period, so that correct ITC is auto-populated in his GSTR-3B.

Despite this, there may still be some cases, where the recipient is not able to correct the action taken on the IMS, resulting in wrong auto-population of ITC in GSTR-3B of the recipient or wrong auto-population of liability in GSTR-3B of the corresponding supplier. Therefore, during this initial phase of implementation of IMS, the taxpayers are advised that in such cases, where due to any inadvertent mistake in the action taken on the IMS, if incorrect details of ITC/ liability are auto-populated in GSTR-3B on the portal, the taxpayer may before filing their GSTR-3B return, edit such wrongly populated ITC/liability in their GSTR-3B, to correctly avail ITC or pay correct tax liability based on the factual position as per the documents/records available with him.

Thanking You,
Team GSTN