

Introduction of RCM Liability/ITC Statement

Aug 23rd, 2024

To assist taxpayers in correctly reporting Reverse Charge Mechanism (RCM) transactions, a new statement called "*RCM Liability/ITC Statement*" has been introduced on the GST Portal. This statement will enhance accuracy and transparency for RCM transactions by capturing the RCM liability shown in Table 3.1(d) of GSTR-3B and its corresponding ITC claimed in Table 4A(2) and 4A(3) of GSTR-3B for a return period. This statement will be applicable from tax period *August 2024* onwards for monthly filers and from the quarter, *July-September-2024* period for quarterly filers. The RCM Liability/ITC Statement can be accessed using the navigation: *Services >> Ledger >> RCM Liability/ITC Statement*.

Reporting Opening Balance in RCM ITC Statement.

RCM ITC opening balance can be reported by following below navigation:

Login >> Report RCM ITC Opening Balance or Services >> Ledger >> RCM Liability/ITC Statement >> Report RCM ITC Opening Balance

- In case the taxpayers have already paid excess RCM liabilities by declaring the same in Table 3.1(d) of GSTR-3B however he hasn't availed corresponding ITC through Table 4(A)2 or 4(A)3 of GSTR-3B, due to any reason, in such cases taxpayer need to fill Positive value of such excess paid liability as RCM ITC as opening balance in RCM statement.
- In case the taxpayers have already availed excess RCM ITC through Table in Table 4(A)2 or 4(A)3 of GSTR-3B however he hasn't paid corresponding liability by declaring the same in table 3.1(d) of GSTR-3B, in such cases taxpayer will be needed to fill a negative value of such excess claimed ITC as RCM as opening balance in RCM Statement.
- In case taxpayer need to reclaim the RCM ITC, which was reversed in earlier tax periods through Table 4(B)2 of GSTR-3B, if eligible, he can reclaim such RCM ITC in Table 4A(5) of GSTR-3B. Please note that such RCM ITC shall not be reclaimed through Table 4(A)2 and 4(A)3 of GSTR-3B. Such RCM ITC reversal need not to be reported as RCM ITC opening balance.

For Opening Balance pls reconcile till tax Period:

- **Monthly filers:** Report the opening balance considering RCM ITC till the July-2024 return period.
- **Quarterly filers:** Report the opening balance up to Q1 of FY 2024-25, considering RCM ITC till the April-June, 2024 return period.
- **Deadline to declare Opening Balance:** Opening balance can be declared till 31.10.2024.
- **Amendments in Opening Balance:** Taxpayers can rectify any errors committed while declaring the opening balance on or before 30.11.2024, he shall be provided three opportunities for the same.

This amendment facility shall be discontinued after 30.11.2024.

Thanks,
Team GSTN