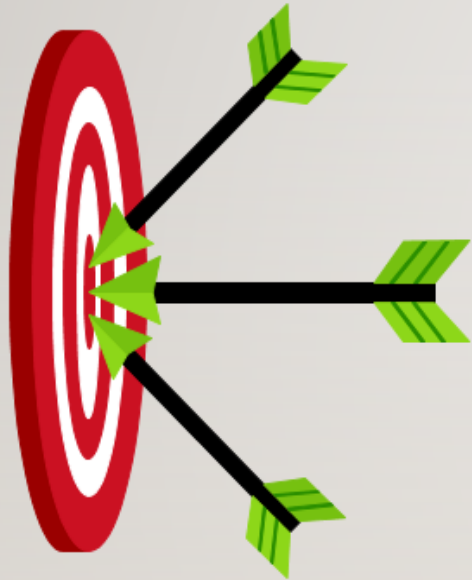


SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

THE FINANCE (No.2) BILL, 2019

OBJECTIVES OF THE SCHEME



1

The Scheme is a **one time measure** for liquidation of past **disputes** of Central Excise, Service Tax and 26 other indirect tax enactments.

2

The Scheme provides that eligible persons shall **declare the unpaid tax dues and pay the same** in accordance with the provisions of the Scheme.

3


The Scheme provides for certain **immunities including penalty, interest or any other proceedings including prosecution** to those persons who pay the declared tax dues.

INTRODUCTION

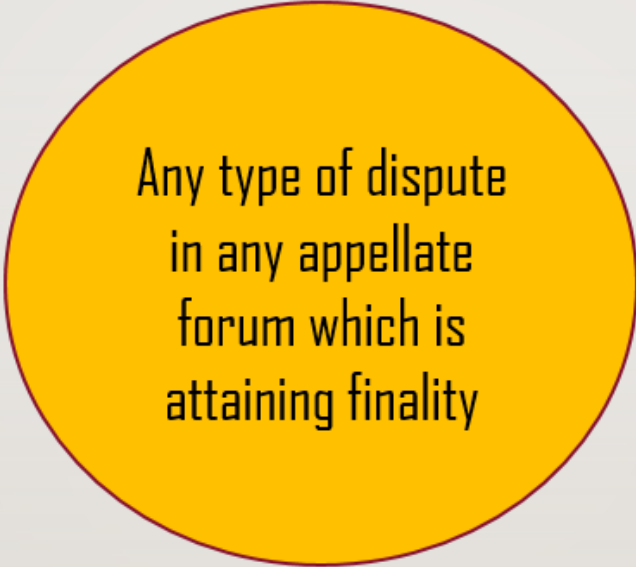
- This Scheme shall be called the Sabka Vishwas (**Legacy Dispute Resolution**) Scheme, 2019.
- It shall come into force on such **date when notified** in the Official Gazette.
- Declaration related to excisable goods set forth in the **Fourth Schedule (Chapter 24 and 27)** to the Central Excise Act, 1944 are **not included** under the Scheme.
- The Scheme is applicable to the Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or Chapter V of the Finance Act, 1994 and 26 other Acts and the Rules made thereunder.

TYPES OF DISPUTES COVERED BY SCHEME

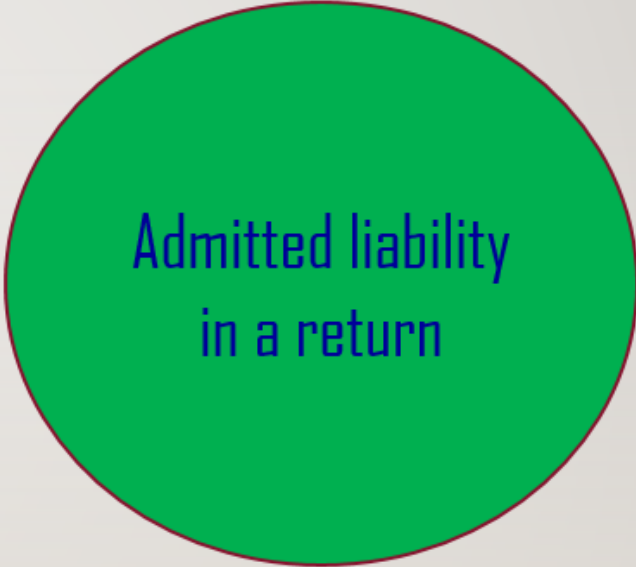
- “**Amount in arrears**” means the amount of duty which is recoverable as arrears of duty.



No appeal filed
before expiry of the
time period



Any type of dispute
in any appellate
forum which is
attaining finality

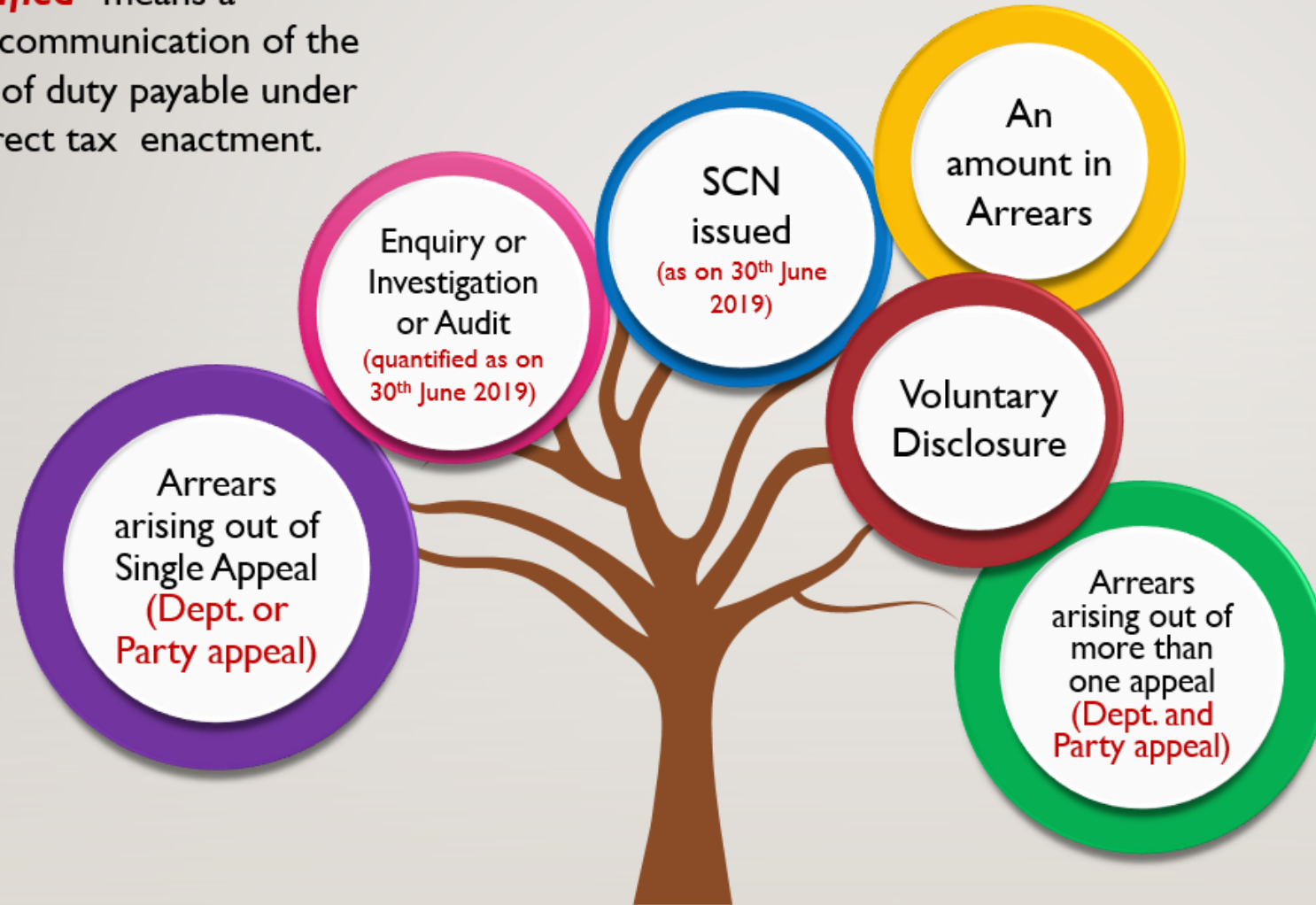


Admitted liability
in a return

- “**Appellate forum**” does not include JS(RA) and Settlement Commission.

TAX DUES

“**Quantified**” means a written communication of the amount of duty payable under the indirect tax enactment.

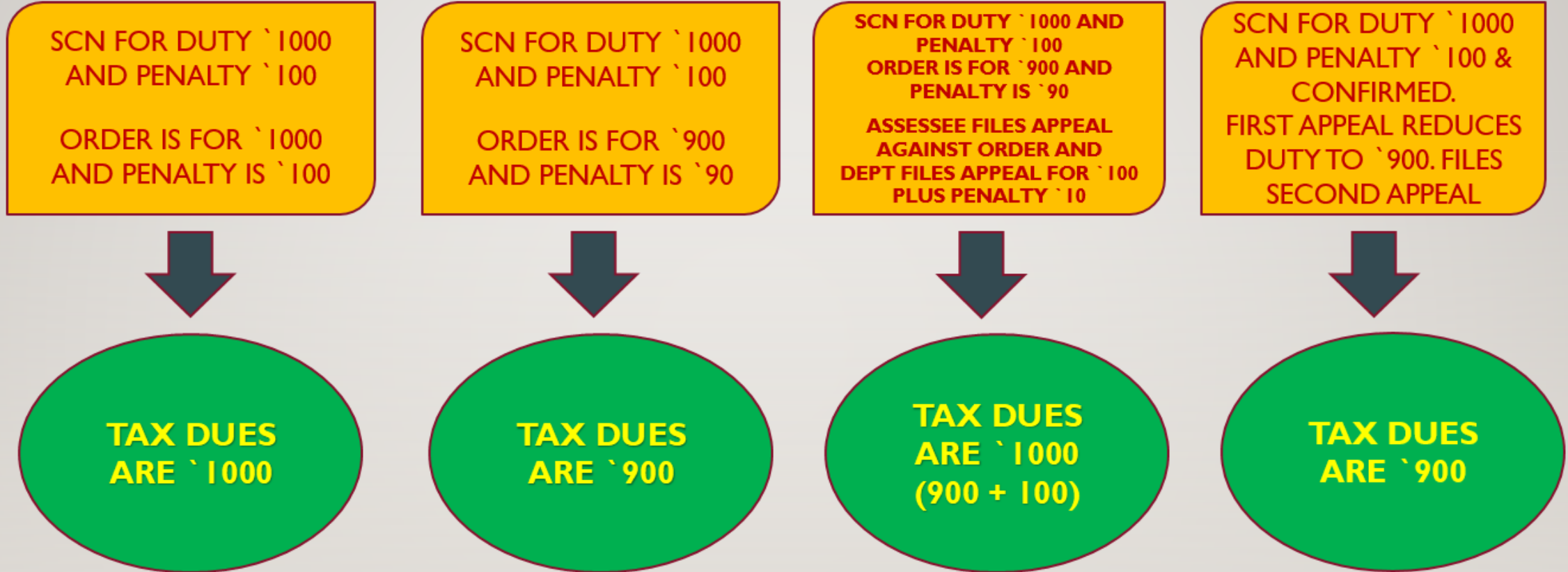


“**Audit**” means any scrutiny, verification and checks and will commence when a written intimation from the Central Excise officer regarding conducting of audit is received.

“**Enquiry or investigation**”, under any of the indirect tax enactment, shall include the following actions, namely:—

- (i) search of premises;
- (ii) issuance of summons;
- (iii) Letters asking for production of accounts, documents or other evidence;
- (iv) recording of statements.

EXAMPLES FOR TAX DUES

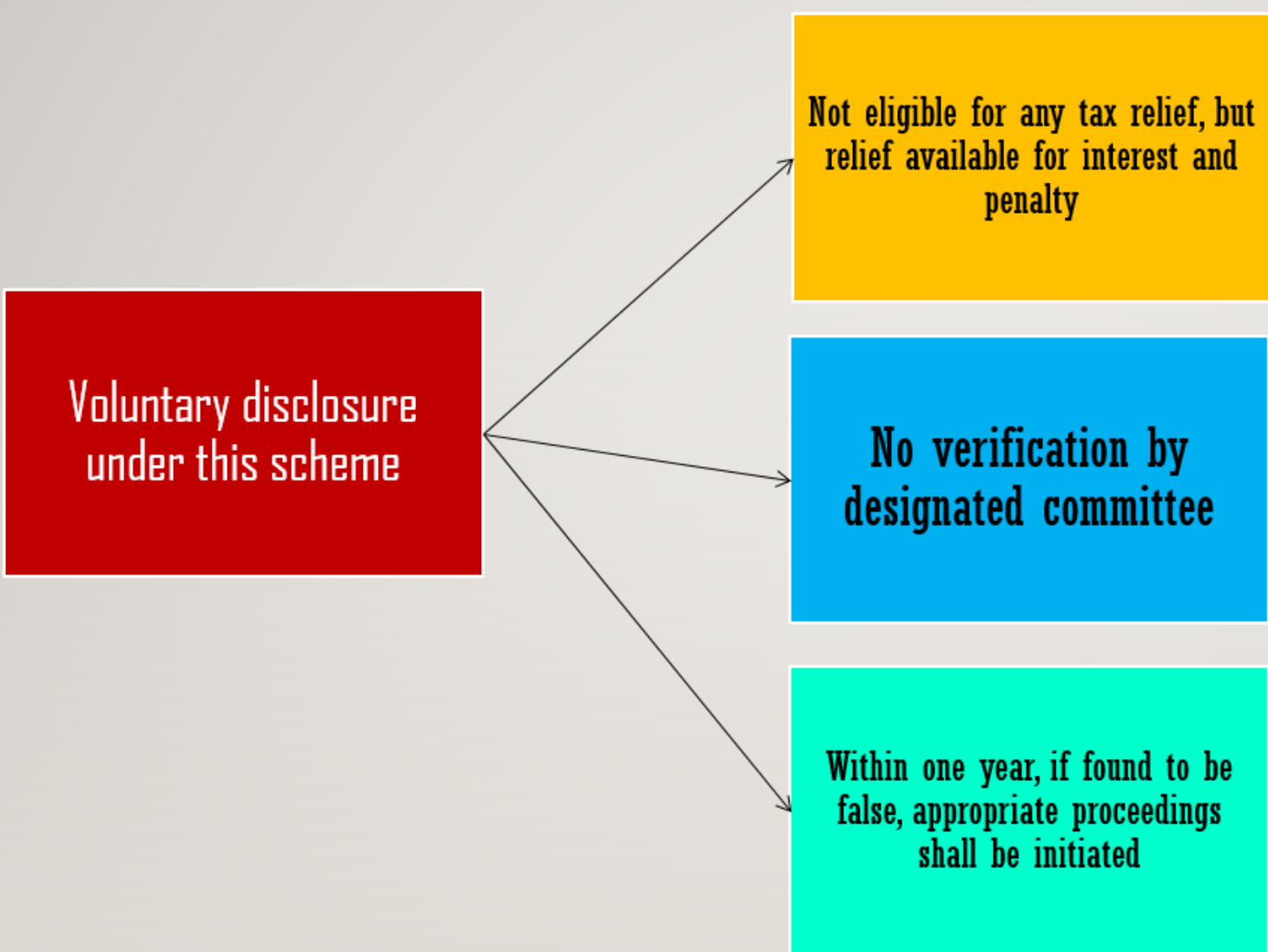


“**Amount payable**” means the final amount payable by the declarant as determined by the designated committee and as indicated in the statement issued by it and shall be calculated as the amount of **tax dues** less the tax relief.

RELIEF AVAILABLE UNDER SCHEME

	SCN or one or more appeals As on 30 th June 2019	Enquiry or investigation or audit Quantified as on 30 th June 2019	An amount in arrears	Amount payable as per return	SCN for late fee or penalty only and duty is paid / nil	Voluntary Disclosure
₹ 50 LAKHS OR LESSER	70 %	70 %	60 %	60 %	Entire fee or penalty	Relief only for interest & penalty. No tax relief.
MORE THAN ₹ 50 LAKHS	50 %	50 %	40 %	40 %	Entire fee or penalty	Relief only for interest & penalty. No tax relief.

**Voluntary disclosure
under this scheme**



**Not eligible for any tax relief, but
relief available for interest and
penalty**

**No verification by
designated committee**

**Within one year, if found to be
false, appropriate proceedings
shall be initiated**

Cannot make a voluntary disclosure after an enquiry or investigation or audit or for an amount declared as payable in a return filed consequent to such proceedings.

PRECONDITIONS:

- The relief calculated shall be subject to the condition that **any amount paid as pre-deposit shall be deducted** when issuing the statement indicating the amount payable by the declarant.
- Provided that **if the amount of pre-deposit or deposit already paid > the amount payable** the declarant **shall not be entitled to any refund.**

RESTRICTIONS OF THE SCHEME :

- (a) Shall **not be paid through the input tax credit** account.
- (b) Shall **not be taken as input tax credit;** or entitle any person to take input tax credit, as a recipient, of the excisable goods or taxable services.
- (c) Shall **not be refundable** under any circumstances.

VERIFICATION OF DECLARATION



Not eligible to make a declaration under the scheme

h

Excisable goods from **Fourth Schedule to the Central Excise Act, 1944**

g

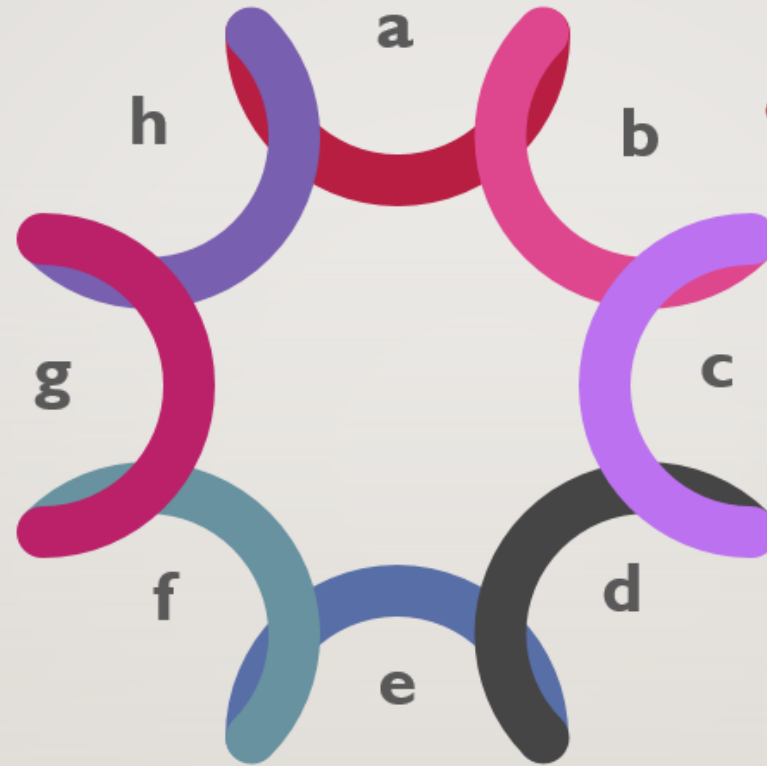
Application in the **Settlement Commission**

f

Voluntary Disclosure after being subjected to any **enquiry or investigation or audit** & filed a return, indicating duty as payable, but has not paid it

e

Subjected to enquiry or investigation or audit and duty involved has **not been quantified** on or before 30th June 2019



Appeal before appellate forum and **heard finally** on or before 30th June 2019

a

Convicted for any offence for the matter for which he intends to file a declaration

b

Issued a SCN and final hearing has taken place on or before 30th June 2019

c

Issued a SCN for **erroneous refund** or **refund**

d

AFTER

ISSUANCE

OF

DISCHARGE

CERTIFICATE

- a) **Not be liable to pay any further duty, interest, or penalty** with respect to the matter and the time period covered.
- b) **Not be liable to be prosecuted** under the Indirect Tax enactment.
- c) Shall **not be reopened** in any other proceeding under the Indirect Tax enactment.
- d) If **false declaration** is made in voluntary disclosure, proceedings under the applicable laws shall be started within a **time-limit of one year**.

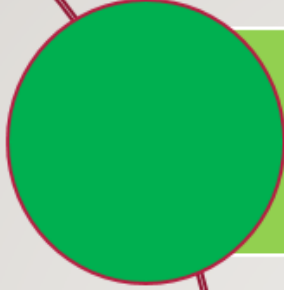
POWER TO MAKE RULES BY CENTRAL GOVERNMENT




PROTECTION

TO

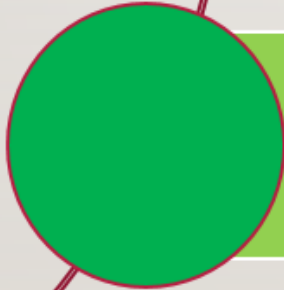
OFFICERS



No suit, prosecution or other legal proceeding, if **done, or intended to be done in good faith.**



No proceeding, other than a suit shall be commenced without **a prior notice of not less than one month in writing,** or after the expiration of three months from the accrual of such cause.



No proceeding on the ground of subsequent detection of error in calculating amount of duty payable, **unless there is evidence of misconduct.**

THANK

YOU

