

Ref. No. MCHI/PRES/20-21/055

November 25, 2020

PRESIDENT
Deepak Goradia

IMMEDIATE PAST PRESIDENT
Nayan A. Shah

PRESIDENT-ELECT
Boman Irani

SR. VICE PRESIDENTS
Harish Patel
Nainesh Shah
Dominic Romell
Bandish Ajmera

VICE PRESIDENTS
Sukhraj Nahar
Jayesh Shah
Ajay Ashar

HON. SECRETARY
Pritam Chivukula

TREASURER
Munish Doshi

SPECIAL PROJECTS
Parag Munot
Sandeep Raheja
Navin Makhija
Rasesh Kanakia
Shahid Balwa
Subodh Runwal

HON. JT. SECRETARIES
Shailesh G. Puranik
Dhaval Ajmera
Pratik Patel

JT. TREASURERS
Mukesh Patel
Tejas Vyas

CO-ORDINATORS
Nayan Bheda
Raajesh Prajapati
Dr. Harshul Savla

COMMITTEE MEMBERS
Gautam Ahuja
Deepak Gundecha

INVITEE MEMBERS
Shailesh Sanghvi
Sachin Mirani
Nikunj Sanghavi
Rajeev Jain
Shyamal Mody
Digant Parekh
Rushank Shah
Samyag Shah
Jayesh C. Shah
Sunny Birlani
Sahil Parikh
Naman Shah
Ricardo Romell
Binitha Dalal

PAST PRESIDENTS
Mayur Shah
Dharmesh Jain
Vyomesh Shah
Paras Gundecha
Pravin Doshi
Mohan Deshmukh
Mofatraj Munot
Rajnikant Ajmera
Late G. L. Raheja
Late Lalit Gandhi
Late Babubhai Majethia

CREDAI-MCHI UNITS

PRESIDENT, THANE
Ajay Ashar

PRESIDENT, KALYAN DOMBIVLI
Shrikant Shitole

PRESIDENT, MIRA VIRAR CITY
Ashit Shah

PRESIDENT, RAIGAD
Kiran Bagad

PRESIDENT, NAVI MUMBAI
Vijay Lakhani

To,
Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India
New Delhi - 110001

Sub: Recommendation with reference to Vivad Se Vishwas Act, 2020

Hon'ble Madam,

The Direct Tax Vivad se Vishwas Act, 2020 was enacted on March 17, 2020 with the objective to reduce pending income tax litigation, generate timely revenue for the government and to benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process.

Recently, the government extended the deadline for making payments without additional cost under the scheme by three months to March 31, 2021 and also commerce and industry Minister interacted with large corporation and tax professional (as published in Economics times dated 10th November, 2020) on ways to make the "Vivad se Vishwas" scheme a success. In same line, the Industry would list down the following recommendation:-

- (A) **Extension of cut-off date of the Scheme** - It is widely felt that the cut-off date of December 31, 2020 should be extended to at least March 31, 2021 in line with the due date of making payments under the scheme.
- (B) **Clarification on Prosecution launched other than in relation to tax arrears** - Section 9 (a)(ii) of the VSV Act, which is a part of the chapter "Act not to apply in certain cases", states that *"in respect of tax arrear relating to an assessment year in respect of which prosecution has been instituted on or before the date of filing of declaration"*. Even though, the language appears to be making those cases as ineligible for the scheme wherein the prosecution has been initiated only in relation to "tax arrears" as defined in the VSV Act, however to make it abundant clear, it may be clarified that the cases where prosecution has been launched due to procedural lapses such as delay in payment of self-assessment tax, etc. are eligible under the scheme. This clarification definitely further boost the success of the scheme.
- (C) **Settlement of disputes based on "issue wise" instead of "year wise"** - The scheme would be more appealing to a large category of persons if the it is structured 'issue wise' – where a taxpayer is allowed to choose and settle some disputes, under the scheme – instead of the 'year wise' requirement.

(D) **Option to exclude “Transfer Pricing Issues”** – Even if the Scheme propels “year wise” instead of “Issue wise” as recommended in (c) above, it is still desirable in the interest of large categories of persons including Multinational Companies to grant the option for electing of the Scheme in relation to “Transfer Pricing Issues”.

Your Honour would appreciate that this pandemic is prolonging and industries are struggling for back to normalcy, particularly the real estate sector. In view of such circumstances, it would be prudent to consider the above recommendations and clarify in the interest of the large taxpayers who are stuck up in several litigations which is also in line with the stated objective of the scheme.

The proposed amendment will not result into any loss to the government.

Thanking you,

Yours Faithfully,
For CREDAI-MCHI



Deepak Goradia
President



Pritam Chivukula
Hon. Secretary