



**Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019**

Uncovering the key aspects

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# Presenters

## Subject matter experts



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# Overview of the scheme

## Current state of play

- Union Budget 2019 proposed Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019, a one time amnesty scheme for central taxes
- Finance Act 2019 has approved the amnesty scheme
- CBIC has issued Flier and FAQs to simplify the broader understanding of the scheme for general public

## Unfinished Agenda

- Effective date of scheme to be notified
- Rules for carrying out the provisions of the scheme to be issued

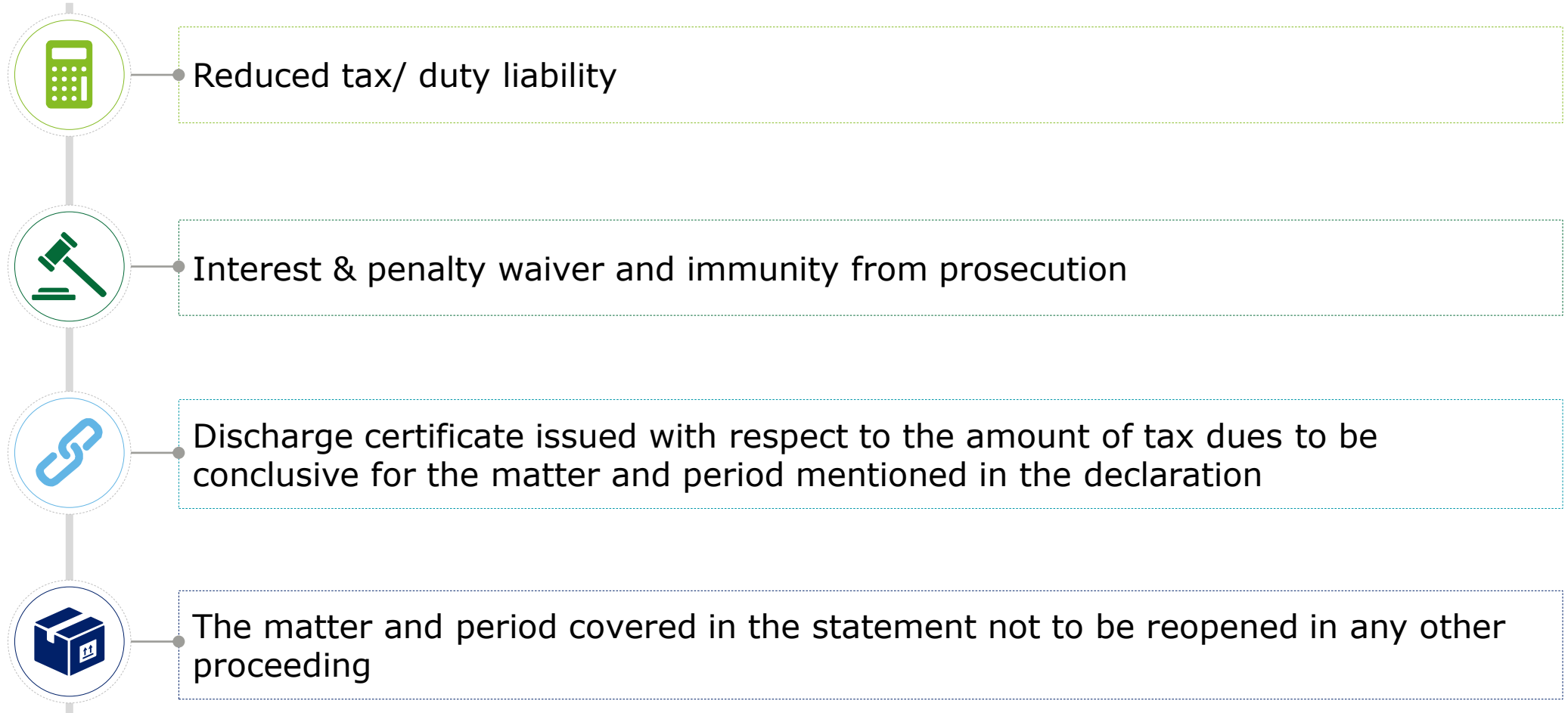
# Key highlights



## Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019

- Focus on settling of legacy disputes related to central taxes viz. Central Excise, Service Tax and [others](#), pending at various levels
- Expected to be notified soon, with a specific window period to exercise the option
- Proceedings under the scheme specifically stated to not be treated as a precedent for past and future liabilities
- Relief in form of payment of part tax dues , waiver of interest and penalty and immunity from prosecution in relation to the matter and period covered
- Rules for carrying out the following provisions of the scheme are awaited:
  - Form for filing of declaration and manner for its verification
  - Manner and constitution of designated committee and rules for its procedure and functioning
  - Form and manner of
    - estimation of amount payable by the declarant
    - making payment and intimation for withdrawal of appeal
    - discharge certificate to be granted to declarant

# Benefits for declarant



# Eligibility and relief under the scheme

## Relief available as percentage of tax dues

Tax dues linked to	INR 50 lakhs or less	More than INR 50 lakhs
(a) Show cause notice (SCN) / appeal pending as on 30.06.2019	<b>70 %</b>	<b>50 %</b>
(b) SCN issued only with respect to late fee/ penalty, and tax amount is paid or NIL	<b>Entire amount of late fee/ penalty</b>	
(c) Amount relating to arrears of tax or amount indicated in returns but not paid	<b>60 %</b>	<b>40 %</b>
(d) Enquiry/ investigation/ audit and amount quantified on or before 30.06.2019	<b>70 %</b>	<b>50 %</b>
(e) Voluntary disclosure by the declarant	<b>No tax relief except interest &amp; penalty</b>	

# Ineligible categories

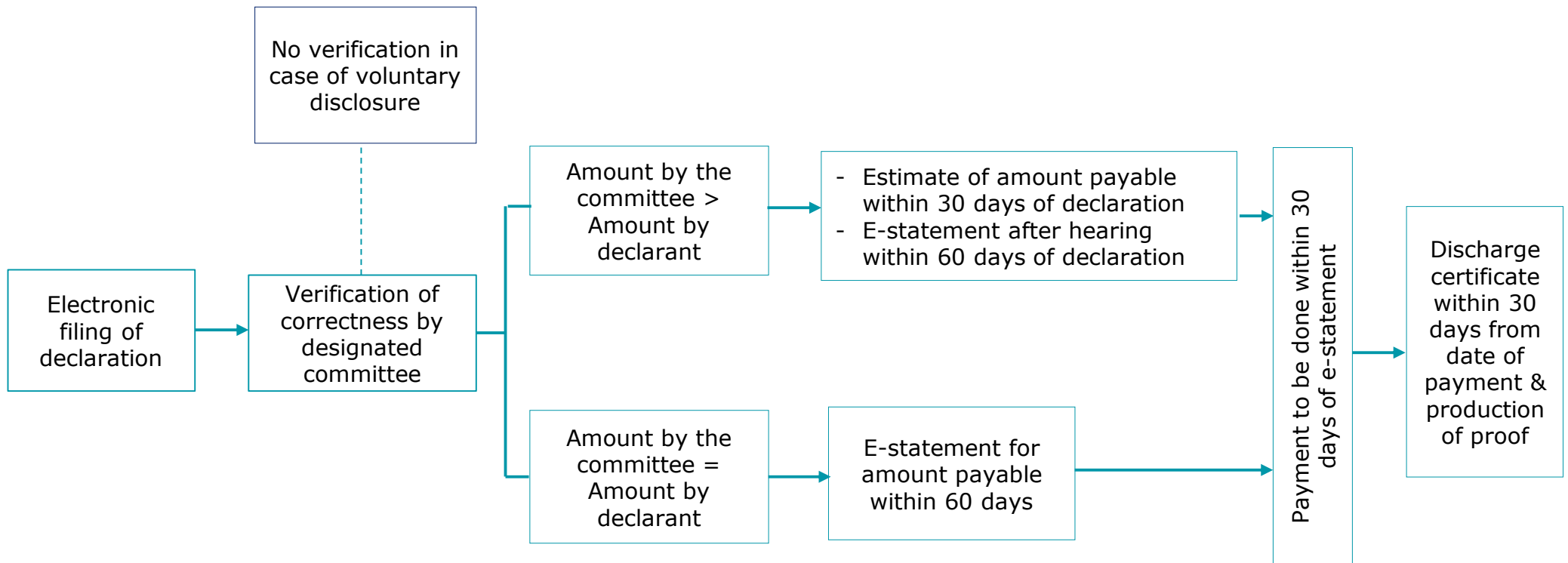
- Appeal filed before the appellate forum [SC, HC, CESTAT, Commr (A)] has been finally heard on or before June 30, 2019
- **Person convicted for any offence punishable** under any provision of the indirect tax enactment for the matter for which he intends to file a declaration
- Show Cause notice issued in respect of which 'final hearing' has taken place on or before June 30, 2019
- Show Cause notice issued in respect of erroneous refund
- Enquiry/Investigation/Audit, where quantification is not done on or before June 30, 2019
- Person making voluntary disclosures after (i) audit, enquiry or investigation; (ii) indicating an amount as payable in return; and (iii) making settlement application
- Declaration when it pertains to goods covered under the fourth schedule of the Excise Act



# Conditions for availing benefits

- 1 Amount to be paid under the scheme shall not be paid through input tax credit account
- 2 Amount paid under the scheme shall not be refundable
- 3 Amount paid cannot be taken as input tax credit or entitle any person to take input tax credit as a recipient
- 4 If pre-deposit exceeds payment, refund would not be available

# Process flow of the scheme



- Any appeal or reference or a reply to SCN against any order or notice giving rise to tax dues filed before the appellate forum (other than HC / SC) by the declarant shall be deemed to have been withdrawn
- Any writ petition, appeal or reference before the SC or any HC against any order in respect of the tax dues, declarant to file an application for withdrawal and submit a proof of withdrawal to the designated committee
- Designated committee can modify its order to correct arithmetical or clerical error within 30 days of issue of statement indicating the amount payable

## Open issues (illustrative)



Eligibility of cases where only department is in appeal and scope of scheme, in cases where both assessee and department in appeal



Single appeal greater than INR 50 lakhs arising out of multiple SCNs (each SCN less than INR 50 lakhs) – whether separate matters or single matter



Scope of final hearing, whether includes - (i) matters placed in the call book (ii) appeals dismissed ex-parte but restored subsequently (iii) re-hearing of finally heard cases, due to change of adjudicating officer



Eligibility for adjustment – payment under protest, pre-deposit through ITC, interest or penalty paid in cash

# Suggested way forward



Analysis of the pending disputes to assess eligibility



Evaluate merits of such eligible disputes from an IDT standpoint and their inter-linkage with other tax laws' position - strategic evaluation (cost-benefit analysis) of opting for the scheme



Applying for the scheme including attending personal hearings, filing reply to departmental queries, getting discharge certificate issued etc.



Representation on open issues



Overall review of litigation strategy on the pending matters, independent of the scheme as well - to evaluate if proactive steps to be taken, eg, payment under protest

# Polling and Q&A

Please type in your Questions  
Select 'all panelists' in the chat drop  
down

**Thank you!**

## Other acts covered under the scheme



(i) the Agricultural Produce Cess Act, 1940	(xiv) the Oil Industry (Development) Act, 1974
(ii) the Coffee Act, 1942	(xv) the Tobacco Cess Act, 1975
(iii) the Mica Mines Labour Welfare Fund Act, 1946	(xvi) the Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976
(iv) the Rubber Act, 1947;	(xvii) the Bidi Workers Welfare Cess Act, 1976
(v) the Salt Cess Act, 1953;	(xviii) the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978
(vi) the Medicinal and Toilet Preparations (Excise Duties) Act, 1955;	(xix) the Sugar Cess Act, 1982
(vii) the Additional Duties of Excise (Goods of Special Importance) Act, 1957	(xx) the Jute Manufacturers Cess Act, 1983
(viii) the Mineral Products (Additional Duties of Excise and Customs) Act, 1958	(xxi) the Agricultural and Processed Food Products Export Cess Act, 1985
(ix) the Sugar (Special Excise Duty) Act, 1959	(xxii) the Spices Cess Act, 1986
(x) the Textiles Committee Act, 1963	(xxiii) the Finance Act, 2004
(xi) the Produce Cess Act, 1966	(xxiv) the Finance Act, 2007
(xii) the Limestone and Dolomite Mines Labour Welfare Fund Act, 1972	(xxv) the Finance Act, 2015
(xiii) the Coal Mines (Conservation and Development) Act, 1974	(xxvi) the Finance Act, 2016



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