

Procedure for availing the VCES scheme

- **Step 1**
If the declarant is not registered, then he is first required to get himself registered and then apply for this scheme.

- **Step 2**
After registration, the declarant shall make a declaration in Form VCES-1 to the designated authority (AC/DC Technical, Head quarter office) on or before 31.12.2013.

- **Step 3**
On receipt of Form VCES- 1, the designated authority will issue acknowledgement of declaration in Form VCES-2 within 7 working days from the date of receipt of declaration.

- **Step 4**
The declarant is required to pay not less than 50% of tax dues by 31st December 2013. Balance by 30th June 2014 and if not paid, can be paid by 31st December, 2014 alongwith interest from 1st July 2014.
Cenvat credit cannot be utilized for payment of dues (Rule 6(2)).
Amount paid shall not be refundable.

- **Step 5**
On full payment of taxes, the designated authority will issue acknowledgement of discharge in VCES-3 within 7 working days from the date of furnishing of details of tax dues paid in full, along with interest if any. **Last date for payment of first installment of 50% of total tax dues is 31.12.2013 and balance amount by 30.06.2014 or 31.12.2014 (with interest).**

Persons not eligible for the scheme

- I. Person cannot make declaration of tax dues for which
 - a) SCN (u/s 73 or 73A)
 - b) Order (u/s 72, 73, 73A)has been issued on or before 01-03-2013. [section106(1)]

- II. A person who has filed return, declared tax liability but not paid [106(1) proviso]
If a SCN or order has been issued on any issue (say taxability or valuation), declaration can not be filed on same issue for subsequent period [106 (1) proviso]

- A. Where any inquiry or investigation has been initiated and is pending as on 01.03.2013 by way of
 - a) Search u/s 82 of FA 1994

- b) Issue of summons u/s 14 of CEA 1944
- c) Issue of notice requiring production of accounts or documents u/s 72 (for best judgment assessment) or under Rule 5A of STR 1994 [Section 106(2)]

B. Where audit has been initiated.

However, letters requiring production of documents, not mentioning sections 14 (CEA), 72(FA) and rule 5A(STR), would not be treated as covered under section 106(2). [TRU Circular dated 13.05.2013]