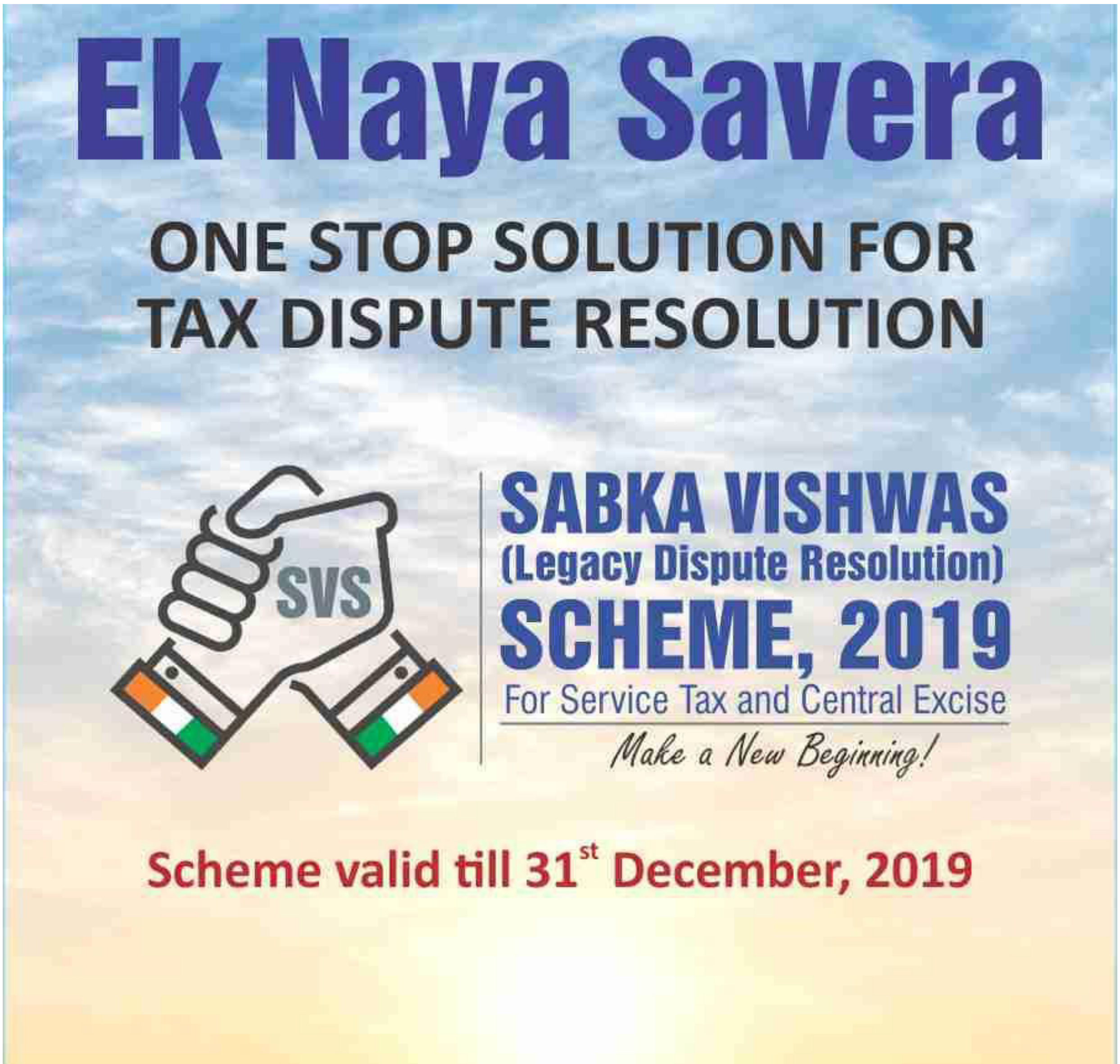

Bimal Jain
Isha Bansal

E-Handbook on

Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

(Updated as on October 9, 2019)

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E-Handbook

Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

October 2019 Edition

This book is dedicated to

Acharya 108 Sri Vidya Sagar Ji Maharaj

"दूसरों के हित के लिए अपने सुख का त्याग करना ही सच्ची सेवा है"

About the Authors

BIMAL JAIN

FCA, FCS, LLB, B.Com (Hons.) with 21 years of experience in Indirect Taxation – GST, Service tax, Excise, Customs, VAT/CST, Foreign Trade Policy, DGFT matters, etc.

Bimal Jain, qualified as a Chartered Accountant in May 1994, and Company Secretary in December 2006 and LLB in December, 2009. He has worked in renowned companies viz. LG Electronics India Pvt. Ltd, Honda Motorcycle & Scooters India Pvt. Ltd, Hindustan Development Corporation Ltd, Khaitan & Company. Currently, he is the Chief Executive Director of A2Z Taxcorp LLP.

Bimal is a Chairman of the Indirect Tax Committee of PHD Chamber of Commerce, Chairman of the Corporate Advisory Committee of IPEM Group of Institutions, Member of Indirect Tax Committee of FICCI & Assocham, Special Invitee of Indirect Tax Committee of ICAI, and Member of eminent faculties in Indirect tax committee of Confederation of Indian Industry (CII)/ ICAI/ ICSI/ ICMA/ PHD Chamber.

He was the keynote speaker at Guinness World Record made by ICSI in "Largest Taxation Lesson" on GST, attended by 4500+ Participants, breaking earlier record of Japan. He is awarded as Best Participant Award in MSOP – 117th Batch by ICSI, Business Leader Award by Amity School Noida, Best Speaker Award by NIRC – ICAI/ ICMA and Young Achievers Award at Igniting Minds, 2015.

He regularly writes articles on multiple GST and indirect tax issues and has authored books, namely, Service Tax Voluntary Compliance Encouragement Scheme, 2013 and various GST books titled 'Goods and Services Tax – Introduction and Way Forward', 'GST Law & Analysis – With Conceptual Procedures', 'Guide to Revised Model GST Law (With Draft Rules on Registration, Payment, Invoice, Returns and Refund)', 'The GST Reader (GST made easy)' and 'GST Law and Analysis (With Conceptual Procedures)' – 2019 Edition.

He has also represented PHD Chamber of Commerce, Assocham, ICAI, ICSI before various Government Authorities/Committees viz. the GST Council, the Central Board of Excise and Customs, Ease of doing Business Committee, Empowered Committee of State Finance Ministers, etc.

Bimal's core competency and area of expertise are indirect taxation, international and corporate taxation. He specializes in all aspects of GST, Excise, Service tax, Customs, Sales tax/VAT laws, Free trade/economic cooperation agreements, anti-dumping duty, foreign trade policy, etc.

He carries a blend of industrial and professional acumen, knowledge and experience in carrying out diagnostic review of business operations, opinion & advisory services, process review, structuring of various business models, litigation services at all appropriate forums including Commissioner (Appeals), CESTAT, High Court and representation made before the TRU/ CBIC/ DGFT, etc., for various matters concerning trade, industry and commerce.

ISHA BANSAL

ACS, LLB, B.Com (Hons.) with more than 6 years of experience in indirect taxation

Isha, qualified as a Company Secretary and LLB, after obtaining a Bachelor's degree in Commerce (Hons.) from University of Delhi in 2008. She worked as an intern with DLF group looking after company secretarial and legal matters before moving to indirect taxation for which she had interest and flair.

Thereafter, she joined A2Z Taxcorp LLP and is presently working as Partner, providing legal and advisory services to various multinational companies in the areas of GST, Excise, Customs, VAT, Service tax, anti-dumping duty, foreign trade policy, etc. Her in-depth knowledge, drive and strategic insights have contributed immensely to the organizations she has worked with.

Isha has done extensive study on GST in India and has been following all the developments in the rollout of GST by the Indian Government. GST is therefore one of her core competency areas along with other indirect tax laws. She is also delivering seminars on GST at various prestigious platforms viz. ICAI, ICSI, Confederation of Indian Industry (CII) and PHD Chamber of Commerce & Industry. She has co-authored various books on GST.

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Chapter 1

Introduction of the Scheme

"Close some doors not because of pride or incapacity, but simply because they no longer lead somewhere and start a fresh."

Paulo Coelho

The Government has announced the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (**"SVLDRS, 2019"** or **"the Scheme"**) as a part of the recent Union Budget on July 5, 2019 – the first budget under newly formed Modi 2.0 Government. Further, in accordance with the Finance (No.2) Act, 2019, the Central Government has notified the **Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019** vide ***Notification No. 05/2019 Central Excise-NT dated August 21, 2019*** as well as issued ***Notification No. 04/2019 Central Excise-NT dated August 21, 2019*** to operationalize the Scheme from September 1, 2019 to December 31, 2019. Furthermore, user manual in this regard for both taxpayers and tax officers have also been put on public domain on September 17, 2019.

1.1 What is Scheme all about?

The aim of the Scheme is to resolve nearly 1.5 lakh cases involving an amount of ₹3.75 lakh crores pending under indirect taxes either at the Show cause notice (SCN) level or One or more appeal arising out of SCN before Commissioner (Appeals), CESTAT, the High Courts and the Supreme Court. These cases are related with Central Excise Duty, Services Tax and various central cesses viz. Sugar Cess, Salt Cess, etc., covered under various 22 Acts, which have now been subsumed in Goods & Services Tax (GST). That is why these cases are called as legacy cases.

Two main components of the Scheme:

- Dispute resolution: It is aimed at liquidating legacy cases of Central Excise and Service Tax that have been subsumed in GST and are pending in litigation at various forums.

- Amnesty component: It provides opportunity to taxpayers to pay specified percentage of outstanding taxes and be free of any other consequences under the law.

Relief: It provides substantial relief in tax dues for all categories of cases as well as full waiver of interest, fines or penalty. It also provides for complete amnesty from prosecution.

The Scheme is operational from September 01, 2019 for four months till December 31, 2019.

1.2 Objectives:

- One-time measure for liquidation of past disputes of Central Excise and Service Tax and other specified cesses.
- To provide an opportunity of voluntary disclosure to non-compliant taxpayers.

1.3 Enactments covered under the Scheme:

- Central Excise Act, 1944 and Rules made thereunder
- Finance Act, 1994 (Service Tax); Finance Act, 2004 (Education Cess); Finance Act, 2007 (Secondary & Higher Education Cess); Finance Act, 2015 (Swachh Bharat Cess); Finance Act, 2016 (Krishi Kalyan Cess) and Rules made thereunder
- Various Cess as covered under 22 Other Acts like Agricultural Produce Cess Act, 1940; Salt Cess Act, 1953; Sugar Cess Act, 1982.

1.4 Not covered under the Scheme:

- Customs Duties and Allied Duties under the Customs Act, 1962 and Customs Tariff Act, 1975;
- National Calamity Contingent Duty (NCCD)
- VAT and Sales Tax
- Central Sales Tax under the Central Sales Tax Act, 1956;
- GST Acts viz., CGST Act, 2017; SGST/UTGST Act, 2017; IGST Act, 2017; GST (Compensation to States) Act, 2017
- Others indirect taxes levied like Entertainment Tax, Octroi or Entry Tax, etc.

1.5 Eligible under the Scheme:

- A show cause notice (SCN) or one or more appeals arising out of such SCN pending as on the 30th June, 2019 and no final hearing has taken place on or before 30th June, 2019
- A show cause notice for late fees or penalty is pending as on the 30th June, 2019 and no final hearing has taken place on or before 30th June, 2019
- An amount in arrears
- An enquiry, investigation or audit is pending and where the amount is quantified on or before the 30th June, 2019
- A voluntary disclosure.

1.6 Ineligible under the Scheme:

- Where final hearing has taken place on or before June 30, 2019 w.r.t. SCN and/or appeal.

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- Amount is not quantified w.r.t. pending enquiry, investigation or audit.
- Declaration in respect of excisable goods set forth in the Fourth Schedule to the Central Excise Act, 1944 (this includes tobacco and specified petroleum products).
- When a person has been convicted for any offence for the matter for which declaration is intended to be filed.
- Cases involving erroneous refunds or refunds.
- Where application before the Settlement Commission is made.
- Following voluntary disclosures:
  - ✓ after being subjected to any enquiry or investigation or audit
  - ✓ having filed a return wherein he has indicated an amount of duty as payable, but has not paid it

1.7 Reliefs under the Scheme:

- Total waiver of interest, penalty and fine.
- Immunity from prosecution.
- Cases pending in adjudication or appeal, a relief of 70% from the duty demand if it is ₹ 50 Lakh or less and 50% if it is more than ₹ 50 Lakh.
- Same relief for cases under enquiry/investigation and audit where the duty involved is quantified on or before June 30, 2019
- In case of an amount in arrears, the relief offered is 60% of the confirmed duty amount if it is ₹ 50 Lakh or less and it is 40% in other cases
- In cases of voluntary disclosure, the declarant will have to pay full amount of disclosed duty.

1.8 Effect of Discharge Certificate:

- No liability to pay any further duty, interest, or penalty with respect to the matter and time period covered in the declaration.
- No prosecution w.r.t the matter and time period covered in the declaration.
- No matter and time period covered by such declaration shall be reopened in any other proceeding under the indirect tax enactment.

In nutshell, a full and final closure of the proceedings in question. The only exception is that in case of voluntary disclosure of liability, there is provision to reopen a false declaration within a period of one year.

1.9 SVLDRS, 2019 does not debar the following:

- Issue of SCN for the same matter for a subsequent time period.
- Issue of SCN for a different matter for the same time period.

Proceedings under the Scheme shall not be treated as a precedent for past and future liabilities.

1.10 Other features of the Scheme:

- Facility for adjustment of any deposits or pre-deposits of duty/ taxes already paid from the tax payable under the scheme.
- Net Tax Payable under the Scheme (i.e. Tax Dues minus Tax Relief minus Deposits/ Pre-deposits, if any) to be paid in cash electronically only and cannot be availed as input tax credit neither by provider nor by recipient.
- Final decision for tax payable under the scheme to be communicated within 60 days of application.
- No final decision without an opportunity for personal hearing in case of any disagreement by designated Committee.
- If a person fails to pay the amount within given 30 days, declaration will be treated as lapsed.
- Proceedings under the Scheme is fully automated.

As may be appreciated, this Scheme is a bold endeavour to unload the baggage relating to the legacy taxes viz. Central Excise, Service Tax and other indirect tax enactments that have been subsumed under GST and allow business to make a new beginning and focus on GST. The importance of making this Scheme a grand success cannot be overstated.

Therefore, the trade & Industry must avail the benefit of the Scheme to liquidate their huge outstanding litigation. The Scheme provide the taxpayers a measure of dispute resolution and amnesty of the legacy taxes.

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Chapter 2

Enactments Covered under the Scheme

The Scheme covers the following 'Indirect Tax Enactments':

1. The Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or Chapter V of the Finance Act, 1994 and the rules made thereunder.

2. Other Acts covered:
   (a) The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976
   (b) The Additional Duties of Excise (Goods of Special Importance) Act, 1957
   (c) The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978
   (d) The Mineral Products (Additional Duties of Excise and Customs) Act, 1958
   (e) The Mica Mines Labour Welfare Fund Act, 1946
   (f) The Sugar (Special Excise Duty) Act, 1959
   (g) The Rubber Act, 1947
   (h) The Textiles Committee Act, 1963
   (i) The Salt Cess Act, 1953
   (j) The Produce Cess Act, 1966
   (k) The Medicinal and Toilet Preparations (Excise Duties) Act, 1955
   (l) The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972
   (m) The Coal Mines (Conservation and Development) Act, 1974
   (n) The Jute Manufacturers Cess Act, 1983
   (o) The Oil Industry (Development) Act, 1974
   (p) The Agricultural and Processed Food Products Export Cess Act, 1985
   (q) The Tobacco Cess Act, 1975
   (r) The Spices Cess Act, 1986
   (s) The Agricultural Produce Cess Act,1940
   (t) The Finance Act, 2004
   (u) The Bidi Workers Welfare Cess Act, 1976
   (v) The Finance Act, 2007
   (w) The Coffee Act, 1942
   (x) The Finance Act, 2015
   (y) The Sugar Cess Act, 1982
   (z) The Finance Act, 2016

<u>Cesses under the various above-mentioned Finance Acts:</u>

- ✓ Finance Act, 2004: Levy of Education Cess
- ✓ Finance Act, 2007: Levy of Secondary and Higher Education Cess
- ✓ Finance Act, 2015: Levy of Swachh Bharat Cess

- ✓ Finance Act, 2016: Levy of Krishi Kalyan Cess

Power to Notify Other Acts: Section 122(c) of the Finance Act (No. 2), 2019 gives power to the Central Government to specify any other Act by issuing a notification in the Official Gazette.

Not covered:

Key other indirect tax enactments not covered under the Scheme are-

- ✓ Customs Act, 1962;
- ✓ Customs Tariff Act, 1975;
- ✓ Various State VAT Acts/ Sales Tax Acts;
- ✓ Central Sales Tax Act, 1956;
- ✓ GST Acts viz., CGST Act, 2017; SGST/UTGST Act, 2017; IGST Act, 2017; GST (Compensation to States) Act, 2017;
- ✓ Others like State Entertainment Tax Acts, Octroi or Entry Tax Acts;

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Chapter 3

Eligibility and Ineligibility under the Scheme

3.1 Eligible categories who can apply for SVLDRS, 2019:

There are 5 categories of people who are eligible under the Scheme. Any person falling under the following categories is eligible, subject to other conditions, to file a declaration under the Scheme:

1. **Enquiry/ Investigation or Audit where duty/tax involved in quantified**

   Any person who have been subjected to an enquiry or investigation or audit and the amount of duty/tax involved in the said enquiry or investigation or audit has been quantified on or before June 30, 2019.

Essentials for qualification under the Scheme:

- ✓ There should be an enquiry or investigation, or audit initiated and pending as on June 30, 2019; and
- ✓ Amount of duty/tax involved has been quantified upto June 30, 2019.

What happened when enquiry or investigation or audit has commenced after June 30, 2019:

Such cases are not covered under above eligible criteria. At the same time, exclusion part of the Scheme [under Section 125(1)(f)] also debars such person to apply for SVLDRS, 2019 as a case of voluntary disclosure [i.e. a person making voluntary disclosure after being subjected to any enquiry or investigation or audit].

In this regard, following terms are defined:

- ❖ "**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. requiring the production of accounts, documents or other evidence;
  iv. recording of statements.

Thus, any of the above actions must have taken place in order to constitute an enquiry or investigation.

- "**audit**" means any

  i. scrutiny,
  ii. verification and
  iii. checks carried out under the indirect tax enactment,

  other than an enquiry or investigation and will commence when a written intimation from the central excise officer regarding conducting of audit is received.

- **"quantified"**, with its cognate expression, means a written communication of the amount of duty payable under the indirect tax enactment.

Cases under an enquiry, investigation or audit where the duty demand has been quantified on or before the June 30, 2019 are eligible under the Scheme. Section 2(r) defines "quantified" as a written communication of the amount of duty payable under the indirect tax enactment.

It is clarified vide **Para 10(g) of *Circular No. 1071/4/2019 – CX. 8 dated August 27, 2019*** that such written communication will include a letter intimating duty demand; or duty liability admitted by the person during enquiry, investigation or audit; or audit report etc.

Designated Committee to take view on cases where only documents are called upon by the department:

A doubt has been expressed as to whether benefit of the Scheme would be available in cases where documents like balance sheet, profit and loss account etc. are called for by department, while quoting authority of Section 14 of the Central Excise Act, 1944 etc.

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(vi)], the CBIC has clarified that the Designated Committee concerned may take a view on merit, taking into account the facts and circumstances of each case as to whether the provisions of Section 125(1)(f) are attracted in such cases.

2. Show Cause Notice (SCN)

i. Any person who have been issued SCN for demand of duty/tax which is pending as on 30th June, 2019 and the final hearing has not taken place on or before June 30, 2019.

ii. Any person who has been issued SCN for late fee or penalty, which is pending as on 30th June, 2019 and the final hearing has not been done on or before June 30, 2019.

Case Study:

S. No.	Date of receipt of SCN	Final hearing initiated	Final hearing concluded	Eligible?
1.	After June 30, 2019	No	-	No
2.	On or before June 30, 2019	No	-	Yes
3.	On or before June 30, 2019	Yes	No	Yes
4.	On or before June 30, 2019	Yes	Yes	Yes, but under arrears category*

*** Eligibility of SCN where final hearing is done till June 30, 2019 under arrears category:**

Section 125(1)(c) excludes cases which are under adjudication and where final hearing has taken place on or before June 30, 2019 from the purview of the Scheme.

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(vii)], the CBIC has clarified that such cases, however, may still fall under the arrears category once the adjudication order, is passed and has attained finality or appeal period is over, and other requirements under the Scheme are fulfilled.

No selective approach – Declaration under the Scheme to be filed for all the matters of SCN

It is a well-established position of law that a Show Cause Notice is the foundation of an action/ demand. The Hon'ble High Court of Calcutta in the case of ***Smt. Renuka Prasad v. Commissioner of Central Excise, Bolpur Commissionerate [(2014) 45 taxmann.com 132 (Calcutta)],*** has held that the allegation made on the assessee in the SCN must be made precisely and not vaguely.

Many a times a SCN covers multiple matters concerning duty liability and/or interest and penalty. There might be chances of one matter being a disputed matter but other one being a settled matter and has fair chances of succeeding at higher stages. Question may arise as to whether such an assessee opt to avail the benefit of the Scheme for the disputed matter only.

In this regard, reference can be drawn from **Para 10(h) of *Circular No. 1071/4/2019 – CX. 8 dated August 27, 2019***, wherein it is clarified that **<u>a declarant cannot opt to avail benefit of scheme in respect of selected matters</u>**. In other words, the declarant has to file a declaration for all the matters concerning duty liability covered under the SCN.

<u>Case Study:</u>

A SCN dated January 30, 2019 is issued to 'A' alleging following demands:

a) <u>Matter A</u>: Demand of Rs. 15,00,000/- for non-payment of Service Tax on reimbursements for the Financial Year 2016-2017;

b) <u>Matter B</u>: Short reversal of Cenvat Credit to the tune of Rs. 12,00,000/- on common credit for the Financial Year 2016-2017.

'A' has rightly reversed the Cenvat Credit on common inputs and input services and have all the working papers ready for substantiating the same. As on June 30, 2019, no hearing has been done and the matter is pending so far.

Now, to avail the benefit of SVLDRS, 2019, 'A' has to file declaration for both the matters, even though the matter of Cenvat credit is not disputable. As per stated Circular, 'A' cannot opt to go for settlement of Matter A alone and leave Matter B.

<u>Our Comments:</u>

In order to make the Scheme truly a beneficial arm for the taxpayers intending to settle their past disputes, adoption of selective matters under a SCN must be allowed for SVLDRS, 2019. An assessee must not be forced to pay part tax liability in those cases which are not disputable at all or may have been settled through Hon'ble Supreme Court in a precedent.

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SCN pertaining to demand of interest is also covered under the Scheme:

It may so happen that on being pointed out by audit, etc., the taxpayer may in some cases deposit the duty without interest. In such cases, a Show Cause Notice is generally issued for appropriating the duty deposited and demanding the applicable interest.

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(v)], the CBIC has clarified that such cases are covered under the Scheme. However, in no case will a refund of the duty paid be made to the taxpayer.

3. Appeal

Any person who has filed one or more appeal against the SCN and pending as on June 30, 2019 and the final hearing has not taken place on or before June 30, 2019.

Eligibility:

An assessee can apply for the Scheme in respect of any of the pending appeals at different Appellate Forums. In this regard, term "appellate forum" is defined to mean (in descending order of hierarchy):

- ✓ Supreme Court;
- ✓ High Court;
- ✓ Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
- ✓ Commissioner (Appeals)

However, in case of appeals, the applicant is ineligible to apply if the final hearing is concluded but the order is awaited as on June 30, 2019.

Final Hearing?

The hearings in matters are typically rescheduled even after the final hearing due to new bench, change in officer or any other reason. It is clarified vide **Para 10(e) of *Circular No. 1071/4/2019 – CX. 8 dated August 27, 2019*** that this restriction will apply to only those cases, where the appellate forum has heard the matter finally as on June 30, 2019.

Manifestly, determining whether final hearing has taken place or not is in itself a disputed issue whether at adjudication level or First Appellate level.

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Case Study:

S. No.	Date of filing Appeal	Final hearing initiated	Final hearing concluded	Eligible?
1.	On or before June 30, 2019	No	-	Yes
2.	On or before June 30, 2019	Yes	No	Yes
3.	On or before June 30, 2019	Yes	Yes	Yes but under arrears category*
4.	After June 30, 2019	-	-	No

*** Eligibility of appeals where final hearing is done till June 30, 2019 under arrears category:**

Section 125(1)(a) excludes cases which are under appeal and where final hearing has taken place on or before June 30, 2019 from the purview of the Scheme.

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(vii)], the CBIC has clarified that such cases, however, may still fall under the arrears category once the appellate order is passed and has attained finality or appeal period is over, and other requirements under the Scheme are fulfilled.

4. Amount recoverable as an arrear

Any person who has recoverable arrears pending.

In this regard, "**amount in arrears**" means the amount of duty which is recoverable as arrears of duty under the indirect tax enactment, on account of—

i. no appeal having been filed by the declarant against an order in original or an order in appeal before expiry of the period of time for filing appeal; or
ii. an order in appeal relating to the declarant attaining finality; or
iii. the declarant having filed a return under the indirect tax enactment on or before the June 30, 2019, wherein he has admitted a tax liability but not paid it.

Apparently, those who have not left with any legal remedy are seemed to cover here for applying under the Scheme. Sub-clause (iii) discussed above must be read in harmony with sub-clause (ii) of Section 125(1)(f) which puts restriction on persons making voluntary disclosures to be ineligible when he has indicated an amount of duty as payable in returns but has not paid it.

Written declaration by taxpayer that he will not file appeal to be eligible under the Scheme:

Section 121(c) (i) and (ii) define "an amount in arrears" as the amount of duty which is recoverable, *inter alia*, on account of no appeal having been filed by the declarant against an order or order in appeal before the expiry of the period of time for filing of appeal or the order in appeal having attained finality.

There may be situations where the taxpayer does not want to file an appeal even though the time period for filing of appeal is not over.

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(viii)], the CBIC has clarified that in such cases, the taxpayer can file a declaration under the Scheme provided he gives in writing to the department that he will not file an appeal. This declaration shall be binding on the taxpayer.

Separate declaration for each return – amount in arrears:

One of the categories of cases for which a declaration can be made under the Scheme is where the declarant has filed a return but not paid duty. It is possible that a taxpayer may not have paid duty in case of multiple returns.

It may be noted that Rule 3 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 provides that a separate declaration shall be filed for each case. Further, in terms of the Explanation to Rule 3, in case of arrears, a case means 'an amount in arrears'. Section 121(c)(iii) defines an "amount in arrears" as the duty recoverable on account of the declarant having filed a return but not paying duty.

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(iii)], the CBIC has clarified that since the amount in arrears pertains to a return, a separate declaration will need to be filed for each such return.

5. **Voluntary disclosure**

   Any person who wants to make a voluntary disclosure. However, this is subject to following restrictions:

   - ✓ A person cannot make a voluntary disclosure after being subjected to any enquiry or investigation or audit;
   - ✓ A person cannot make a voluntary disclosure if he has filed the return indicating amount of duty as payable but not paid it.

3.2 Ineligible categories who cannot apply for SVLDRS, 2019:

There are 8 categories of people who are ineligible under the SVLDS, 2019 namely:

1. **Final Hearing taken place before June 30, 2019 - SCN**

   Any person who have been issued a SCN and final hearing has been done on or before June 30, 2019.

2. **Final Hearing taken place before June 30, 2019 - Appeal**

   Any person who have filed an appeal before the appellate forum and such appeal has been heard finally on or before June 30, 2019.

   Appellate forum means the Supreme Court or the High Court or the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) or the Commissioner (Appeals).

3. **Amount not quantified before June 30, 2019**

   When any enquiry, investigation or audit is pending, and the amount is not quantified on or before June 30, 2019.

4. **Erroneous refund/ refund**

   Any person who have been issued a SCN for erroneous refund or refund.

5. **Conviction**

   When a person has been convicted for any offence under the indirect tax enactment for the matter for which he intends to file a declaration.

6. **Application in Settlement Commission**

   Any person who have filed an application in the Settlement Commission for settlement of a case.

Section 125(g) excludes the cases where an application has been filed before the Settlement Commission for settlement. However, in many such cases, proceedings before the Commission may abate due to reasons such as rejection of the application by the Commission or due to order of the Commission not being passed within the prescribed time etc.

It is clarified vide **Para 10(f) of *Circular No. 1071/4/2019 – CX. 8 dated August 27, 2019*** that <u>all such cases which are outside the purview of the Settlement Commission shall be covered under the Scheme</u> under the relevant category of adjudication or appeal or arrears, as the case may be, provided the eligibility is otherwise established under this Scheme.

Further, <u>any pending appeals, reference or writ petition filed against or any arrears emerging out of the orders of Settlement Commission are also eligible under the Scheme</u>.

7. Specified voluntary disclosure

i. A person making a voluntary disclosure after being subjected to any enquiry or investigation or audit;

ii. A person has made voluntary disclosure and filed the return indicating amount of duty as payable but not paid it.

Section 125(1)(f) bars a person from making voluntary disclosure after being subjected to an enquiry or investigation or audit. Further, what constitutes an enquiry or investigation or audit has also been defined [Sections 121(g) and 121(m)].

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(vi)], the CBIC has clarified that in cases where documents like balance sheet, profit and loss account etc. are called for by department, while quoting authority of Section 14 of the Central Excise Act, 1944 etc., the <u>Designated Committee concerned may take a view on merit, taking into account the facts and circumstances of each case as to whether the provisions of Section 125(1)(f) are attracted in such cases.</u>

8. Excisable goods under Fourth Schedule to the Central Excise Act, 1944

A person seeking to make declarations with respect to excisable goods set forth in the Fourth Schedule to the Central Excise Act, 1944 (i.e. specified tobacco and petroleum products).

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Restrictions are 'case' specific and not 'person' specific:

Section 125(1) mentions that the Scheme is not available to the persons who are covered in either of the clauses contained therein (discussed supra). For example, Section 125(1)(d) mentions that the Scheme is not available to an applicant has been issued a show cause notice relating to refund or erroneous refund.

It has potential to lead to an interpretation that such persons will not be able to opt for the Scheme for any other dispute as well, since the restriction is on 'the person' in place of 'the case'.

Hence, it is clarified vide **Para 10(b) of *Circular No. 1071/4/2019 – CX. 8 dated August 27, 2019***, that the exception from eligibility is for 'the case' and not 'the person'. In other words, if a person has been issued a show cause notice for a refund/erroneous refund and, at the same time, he also has other outstanding disputes which are covered under this Scheme, then, he will be eligible to file a declaration(s) for the other case(s). Same position will apply to persons covered under Sections 125(1 (b), (c), (e) and (g).

3.3 Eligibility Matrix w.r.t various situations as on June 30, 2019:

S. No.	Enquiry, investigation or audit	SCN issued?	Status of final hearing	OIO passed?	Whether appealed?	Status of final hearing	OIA Passed?	Eligible for SVLDRS?
1	Yes (amount not quantified)	No	-	-	-	-	-	Ineligible
2	Yes (amount quantified)	No	-	-	-	-	-	Eligible
3	Yes	Yes	No	-	-	-	-	Eligible
4	Yes	Yes	Yes	No	-	-	-	Ineligible
5	Yes	Yes	Yes	Yes	No	-	-	Eligible as amount in arrear
6	Yes	Yes	Yes	Yes	Yes	No	-	Eligible
7	Yes	Yes	Yes	Yes	Yes	Yes	No	Ineligible
8	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Eligible as Amount in arrear

Declarations filed by selecting incorrect category of eligibility being an ineligible person are void:

Only the persons who are eligible in terms of Section 125 can file a declaration under the Scheme. The eligibility conditions are captured in Form SVLDRS-1 (Sr. No. 8). The system automatically disallows persons who are not eligible from filing a declaration. However, there is a possibility that such ineligible persons may still make a declaration by selecting an incorrect response.

For instance, under Sr. No. 8.1, the person making a declaration has to indicate whether he/she has been convicted for an offence for the matter for which the declaration is being made. If, the answer is 'Yes', then the person is ineligible and is not allowed to proceed further by the system. However, such person is able to file a declaration if he/she incorrectly indicates 'No' as the answer even though he/she has been convicted.

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(i)], the CBIC has clarified that such declarations are void and do not merit consideration under the Scheme. Such persons may be informed of their ineligibility through a letter.

3.4 SVLDRS, 2019 – Whether available to co-noticees?

Regarding adoption of the Scheme by the co-noticees, **Para 10(i) of *Circular No. 1071/4/2019 – CX. 8 dated August 27, 2019***, clarifies as under:

- **In case of a SCN for late fee or penalty** → Section 124(1)(b) provides that where the tax dues are relatable to a SCN for late fee or penalty only, and the amount of duty in the said notice has been paid or is 'nil', then, the entire amount of late fee or penalty will be waived. This section, *inter alia*, also covers cases of penal action against co-noticees.

- **In case of a SCN demanding duty/tax from main taxpayer and proposing penal action against co-noticees** → It is clarified that the co-noticees can't avail the benefits of the scheme till such time the duty demand is not settled. Once, the main-noticee discharges the duty demand, the co-noticees can apply under this Scheme.

  This will also cover cases where the main noticee has settled the matter before the Settlement Commission and paid the dues and in which co-noticees were not a party to the proceedings before the Settlement Commission.

Case Study:

'ABC Pvt. Ltd.' was issued a SCN for clandestine removal of excisable goods and hence demand of Excise duty to the tune of Rs. 75,00,000/- along with interest and equivalent penalty. Further, managing director of the Company was also imposed with personal penalty under Rule 26 of the Central Excise Rules, 2002, for being in connivance to the above evasion of Excise duty.

Case I: The Company paid the amount of Excise duty with interest. However, levy of penalty was disputed on ground of interpretation issue being involved.

Here, settlement of penalty amount under SVLDRS, 2019 by the Company (main noticee) would relive off the managing director (co-noticee) as well from imposed personal penalty.

Case II: The Company refused to pay the amount of alleged Excise duty and decided to dispute the same at subsequent appellate forum.

Here, managing director (co-noticee) cannot opt to avail the benefit of SVLDRS, 2019 for settlement of penalty amount, till the time the Company (main noticee) settles the Excise duty amount.

Our Comments:

- ✓ It seems to be unjustified restricting the co-noticees to apply for the Scheme till the time the main-noticee discharges the duty demand. The Scheme is applicable to all persons who have been issued a SCN, under indirect tax enactment and the final hearing has not taken place on or before June 30, 2019. Neither there is any restriction on co-noticees under the Act or Rules. Thus, a Circular cannot override the Act and Rules.
- ✓ Even if the cases where the main- noticee discharges the duty amount and/ or the amount of duty in the SCN has been paid or is 'nil', there should not be any requirement for the co-noticees to apply separately under the Scheme. Once the matter is settled against the main-noticee, the proceedings should be deemed to be concluded for co-noticees as well.

3.5 Certain open issues need clarification from Govt:

- What is relevance of final hearing when the Govt. is willing to unlock Rs. 3.75 Lakh crore legacy disputes?
- What if duty amount admitted by the tax payer in enquiry, investigation or audit but not quantified by the authority on or before 30th June, 2019?
- Disparity for specified Tax Relief between Voluntary Disclosures vs. others?

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- Why Co-noticee(s) to go for declaration under the Scheme when main noticee has opt for the scheme?
- Why SCN issued for erroneous refund or refund may not get covered under amount in arrears?
- Whether the benefit of the scheme can be availed in respect of matters which were decided against the declarant years back, but no recovery made till now?
- Whether SVLRDS, 2019 can be availed where order is pending for review as on June 30, 2019 and further appeal against the order is not filed?
- Revisionary Authorities are not covered under the definition of 'Appellate Forum'. Whether revision applications pending before the Joint Secretary (RA) are covered under the scope of the Scheme?
- Whether the Scheme can be availed by those who earlier applied for VCES under Service Tax and the matter is pending under appeal?

Chapter 4

Tax Dues

This Scheme provides relief for tax dues up to 70% in specified scenarios, depending upon category in which applicant falls and quantum of Tax dues. Hence, understanding of Tax Dues is important for calculation of Tax Relief as discussed in next chapter of Tax Relief.

- Cases pending in adjudication or appeal, a relief of 70% of Tax Dues if it is ₹ 50 Lakh or less and 50% if it is more than ₹ 50 Lakh.
- Same relief for cases under enquiry/investigation and audit where the Tax Dues involved is quantified on or before June 30, 2019.
- In case of an amount in arrears, the relief offered is 60% of the confirmed Tax Dues if the same is ₹ 50 Lakh or less and it is 40% in all other cases.
- In cases of voluntary disclosure, the declarant will have to pay full amount of Tax Dues as disclosed by Declarant.

Note:

- In all above cases, interest and penalty or prosecution will also be waived in addition to the tax relief calculated on tax dues given above.

4.1 Meaning of "tax dues": Snapshot

For the purposes of the Scheme, "tax dues" means –

S.No.	Scenario	"Tax dues" means
A	Single appeal arising out of an order is pending as on the June 30, 2019	Total amount of duty which is being disputed in the said appeal
B	More than one appeal arising out of an order - one by the declarant and other being a departmental appeal, which are pending as on the June 30, 2019 before the appellate forum	Sum total of the amount disputed by the declarant and the department

C	SCN has been received by the declarant on or before June 30, 2019	Amount of duty payable as per the SCN
	If SCN making jointly and severally liable	Amount indicated in the SCN as jointly & severally payable
D	Enquiry or investigation or audit is pending	Amount of duty payable which has been quantified on or before June 30, 2019
E	Voluntary disclosure	Total amount of duty stated in the declaration
F	Amount in arrears is due	Amount in arrears

Note:

- Tax dues shall cover all matters relating to output tax, reverse charge or Cenvat credit disputes.

4.2 Explanation with Case Studies:

1. **When single appeal is pending before appellate forum on or before June 30, 2019** – Tax dues means the total amount of duty which is being disputed in the said appeal.

Case Study 1-

The show cause notice to a declarant was for an amount of duty of ₹ 1000 and an amount of penalty of ₹ 100. The order was for an amount of duty of ₹ 1000 and amount of penalty of ₹ 100. The declarant files an appeal against this order. The amount of duty which is being disputed is ₹ 1000 and hence the tax dues are ₹ 1000.

	Amount of Duty	Penalty
Show Couse Notice	₹1,000	₹100

	Amount of Duty	Penalty	Appeal filed by	Amount of duty	Penalty	Tax Dues
Order	₹1,000	₹100	Declarant	₹1,000	₹100	₹1,000
			Department	Nil	Nil	

Case Study 2-

The show cause notice to a declarant was for an amount of duty of ₹ 1000 and an amount of penalty of ₹ 100. The order was for an amount of duty of ₹ 900 and penalty of ₹ 90. The declarant files an appeal against this order. The amount of duty which is being disputed is ₹ 900 and hence tax dues are ₹ 900.

	Amount of Duty	Penalty
Show Couse Notice	1,000	100

	Amount of Duty	Penalty	Appeal filed by	Amount of duty	Penalty	Tax Dues
Order	₹900	₹90	Declarant	₹900	₹90	₹900
			Department	Nil	Nil	

Case Study 3:

The show cause notice to a declarant was for an amount of duty of ₹ 1000. The order was for an amount of duty of ₹ 1000. The declarant files an appeal against this order of determination. The first appellate authority reduced the amount of duty to ₹ 900. The declarant files a second appeal. The amount of duty which is being disputed is ₹ 900 and hence tax dues are ₹ 900.

	Amount of Duty	Penalty
Show Couse Notice	₹1,000	Nil

	Amount of Duty	Penalty	Appeal filed by	Amount of duty	Penalty	Tax Due
OIO	₹1,000	Nil	Declarant	₹1,000	Nil	₹900
OIA	₹900	Nil	Department	Nil	Nil	
			Declarant	₹900	Nil	

2. **When more than one appeal (one by the declarant and the other being a departmental appeal) is pending before appellate forum on or before June 30, 2019** - Tax dues means the sum of the amount of duty which is being disputed by the declarant in his appeal and the amount of duty being disputed in the departmental appeal.

Case Study:

The show cause notice to a declarant was for an amount of duty of ₹ 1000 and an amount of penalty of ₹ 100. The order was for an amount of duty of ₹ 900 and penalty of ₹ 90. The declarant files an appeal against this order of determination. The departmental appeal is for an amount of duty of ₹ 100 and penalty of ₹ 10. The amount of duty which is being disputed is ₹ 900 plus ₹ 100 i.e. ₹ 1000 and hence tax dues are ₹ 1000.

	Amount of Duty	Penalty
Show Couse Notice	₹1,000	₹100

	Amount of Duty	Penalty	Appeal filed by	Amount of duty	Penalty	Tax Due
Order	₹900	₹90	Declarant	₹900	₹90	₹1,000
			Department	₹100	₹10	

3. **<u>Where a SCN has been received by the declarant on or before June 30, 2019-</u>** Tax dues means the whole amount of duty stated to be payable by the declarant in the said notice.

   <u>If the SCN issued to the declarant and other persons making them jointly and severally liable for an amount-</u> Tax dues mean the amount indicated in the said notice as jointly and severally payable.

4. **<u>Where an enquiry, investigation or audit is pending against the declarant-</u>** Tax dues means the amount of duty payable under any of the indirect tax enactment which has been quantified on or before June 30, 2019.

5. **<u>Where the declarant has made a voluntary disclosure-</u>** Tax dues means the total amount of duty stated in the declaration.

6. **<u>Where an amount is in arrears relating to the declarant is due</u>** – Tax dues means the amount in arrears.

4.3 Illustrations of Tax Dues and Tax Relief under the Scheme:

(i) If the amount of duty (including CENVAT credit) being litigated is Rs. 50 lakhs, then the taxpayer only needs to pay only Rs. 15 lakhs to settle his case.

(ii) If the amount of duty (including CENVAT credit) being litigated is Rs. 1 crore, then the taxpayer only needs to pay only Rs. 50 lakhs to settle his case.

(iii) If the amount of duty being litigated is either because the show cause notice was only for penalty or because the duty was deposited at any subsequent stage, and only penalty is being contested, then the taxpayer does not need to deposit anything to settle his case. However, the taxpayer would have to make a declaration under this Scheme.

(iv) If the duty (including CENVAT credit) involved during investigation or audit is Rs. 50 lakhs, then the taxpayer only needs to pay Rs. 15 lakhs to settle his case.

(v) If the amount in arrears is Rs. 50 lakhs, then the taxpayer only needs to pay only Rs. 20 lakhs to settle his case.

(vi) If the taxpayer makes a voluntary disclosure of Rs. 1 crore, then he will need to pay Rs. 1 crore to settle his case.

Chapter 5

Relief available under the Scheme

5.1 Relief from Tax dues:

Details	Amount	Relief	Net liability to be paid
A. Tax dues relatable to SCN or one or more appeal arising out of such SCN which is pending as on June 30, 2019 and the **amount of duty** is	≤ 50 lakhs	**70% of Tax dues and Interest & Penalty**	**30% of Tax dues**
	> 50 lakhs	**50% of Tax dues and Interest & Penalty**	**50% of Tax dues**
B. Tax dues relatable to SCN for **late fee or penalty** only and the amount of duty has been paid or is nil	-	**Entire amount of late fee or penalty**	**NIL**
C. Tax Dues are relatable to **amount in arrears** or Tax Dues are relatable to amount in arrears and the declarant has indicated an amount of duty as payable but not paid it and the amount of duty involved is	≤ 50 lakhs	**60% of Tax dues and Interest & Penalty**	**40% of Tax dues**
	> 50 lakhs	**40% of Tax dues and Interest & Penalty**	**60% of Tax dues**
D. Tax dues are linked to an **enquiry, investigation or audit** against the declarant and the amount quantified on or before June 30, 2019	≤ 50 lakhs	**70% of Tax dues and Interest & Penalty**	**30% of Tax dues**
	> 50 lakhs	**50% of Tax dues and Interest & Penalty**	**50% of Tax dues**
E. Tax dues are on account of **voluntary disclosure** by the declarant	-	**No relief from tax dues but waiver of Interest, Penalty**	**100% of Tax dues**

In this regard,

- Term **"tax dues"** is defined under Section 123 of the Finance Act (No. 2), 2019, discussed in previous chapter.
- **"amount of duty"** means the amount of central excise duty, the service tax and the various cess payable under the indirect tax enactment.
- **"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 (in Form SVLDRS 3), in order to be eligible for the benefits under this Scheme and shall be calculated as the amount of tax dues less the tax relief less deposits/ pre-deposits, if any.

5.2 Adjustment of pre-deposit or deposit amount:

If the declarant has deposited **pre-deposit amount during appellate proceedings** or some amount as **deposits when he is under enquiry, investigation or audit** then such amount should be **deducted** for determining the amount payable under the Scheme.

This Scheme provides for adjustment of any amount paid as pre-deposit during appellate proceedings or as deposit during enquiry, investigation or audit [Sections 124(2) and 130(2) refer]. In certain matters, tax may have been paid by utilising the input credit, and the matter is under dispute.

In such cases, it is clarified vide **Para 10(c) of *Circular No. 1071/4/2019 – CX. 8 dated August 27, 2019***, that the **tax already paid through input credit shall be adjusted** by the Designated Committee at the time of determination of the final amount payable under the Scheme.

Thus, formula for computing the amount payable under the Scheme can be summed up as under:

Amount Payable = **Tax Dues** *minus* **Tax Relief** *minus* **Pre-deposit Amount**

In case of amount in arrears, relief will be applied to the net outstanding amounts after deducting pre-deposits:

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(iv)], the CBIC has clarified as under:

- Section 121(c) defines an amount in arrears as the amount of duty which is recoverable as arrears of duty. Further, Section 123 defines 'tax dues' in respect of arrears as the amount which is due in arrears.
- In other words, **tax dues are the amount of duty which is outstanding against the declarant.**
- This is the net amount after deducting the dues that he has already paid. Such payment may be in the form of pre-deposits appropriated or paid subsequently by the taxpayer voluntarily against the outstanding amount.
- It is clarified that **the relief available under Section 124(1)(c) will be applied to the net outstanding amount so arrived at**.
- It may be noted that in respect of **all other categories**, any money paid before its appropriation is in the nature of a deposit only. Hence, in respect of declarations made under these other categories, the relief will be applied to the outstanding amount and, only thereafter the pre-deposits/deposits [Section 124(2)] shall be adjusted.
- The same is illustrated as follows:

  (a) Taxpayer has outstanding arrears of confirmed duty demand of Rs. 1 crore and he has already paid Rs. 60 lakhs. So, the amount of tax dues is Rs 40 lakhs. After applying applicable relief @ 60%, the amount payable under the Scheme is Rs 16 lakhs.

  (b) Taxpayer has outstanding arrears of confirmed duty demand of Rs 1 crore apart from Rs 20 lakh penalty and interest as applicable. He has already paid Rs 1 cr towards duty. So, the amount of tax dues is zero, and the amount payable under the Scheme is zero.

5.3 No refund of excess pre-deposit/ deposit:

It is to be noted that if the amount of pre-deposit/ deposit exceeds amount payable, no refund is permissible under the Scheme.

5.4 Case Study:

S. No.	Scenario	Demand	Tax dues	Payable as per the	Pre-deposit made	Net tax payable

				relief formula		
1	SCN	1,00,000 + interest+ penalty	1,00,000	30,000 (30% of tax dues)	5,000	25,000
2	Enquiry/ Investigation	60,00,000 + interest+ penalty	60,00,000	30,00,000 (50% of tax dues)	40,00,000	NIL And No refund of Rs. 10,00,000

5.5 Other reliefs under the Scheme:

- Total waiver of interest, penalty and fine.
- Immunity from prosecution.
- Relief from reopening of case and period covered under the scheme.

5.6 Important points to be noted:

- Payment of tax dues should be made in cash; credit account cannot be used for the payment of the tax liability under the Scheme.
- When the declarant makes the payment, no credit is allowed under the Scheme neither to the provider nor to a recipient.
- No refund if any amount wrongly paid under the scheme.
- No refund if the amount of pre-deposit/ deposit exceeds amount payable under the Scheme.

5.7 Multiple situation matrix:

S. No.	Scenario	Demand in SCN (Rs.)	Tax dues (Rs.)	Amount Payable (Rs.)	Relief available (Rs.)
1	Appeal filed by the Assessee	50,00,000 (Including Cenvat)	50,00,000 (Including Cenvat)	15,00,000 (30% of tax dues)	35,00,000 (70% of disputed amount)
2.	Appeal filed by the Assessee	1,00,00,000 (Including Cenvat) + interest + penalty	1,00,00,000 (Including Cenvat)	50,00,000 (50% of tax dues)	50,00,000 (50% of disputed amount) + interest + penalty

3.	SCN	5,00,000 (only penalty)	0	0	5,00,000 (100% of penalty)
4.	Investigation/ Audit	50,00,000 (Including Cenvat)	50,00,000 (Including Cenvat)	15,00,000 (30% of tax dues)	35,00,000 (70% of disputed amount)
5.	Amount in arrears	50,00,000	50,00,000	20,00,000 (40% of tax dues)	30,00,000 (60% of disputed amount)
6.	Voluntary disclosure	1,00,00,000 +Interest + penalty	1,00,00,000	1,00,00,000 (100% of tax dues)	Interest + penalty
7.	Appeal filed by assessee	SCN-50,00,000 OIO-30,00,000	30,00,000	9,00,000 (30% of tax dues)	21,00,000 (70% of tax dues)

5.8 <u>Tax Relief curtailed for amount in arrears in SVLDRS – Circular issued adding ambiguity</u>

To bring out the clear picture of computation of relief under SVLDRS, 2019, we have made a comparative calculation of relief and amount payable under following numbers matrix, for easy digest:

<u>Tax dues relatable to Amount in Arrears: Circular No. 1072/05/2019-CX dated September 25, 2019 creating ambiguity</u>

Gross Amount of Duty (A)	Pre-deposit/ Deposit (B)	Net Outstanding amount, termed as Tax dues (C)=(A-B)	Tax Relief (D)	Tax Payable (E)=(C-D)
50 Lakh	25 Lakh	25 Lakh	15 Lakh [60% of C]	10 Lakh
1 crore	50 Lakh	50 Lakh	30 Lakh [60% of C]*	20 Lakh
10 Lakh	1 Lakh	9 Lakh	5.4 Lakh [60% of C]	3.6 Lakh

*In terms of Section 124(1)(c) of the Finance Act (No. 2) Act, 2019, where the tax dues are relatable to an amount in arrears, the quantum of relief is dependent upon the <u>amount of duty</u> involved. Relevant extract of Section 124(1)(c) is reproduced as under:

"(c) where the tax dues are relatable to an amount in arrears and,—

*(i) the **amount of duty** is, rupees fifty lakhs or less, then, sixty per cent. of the tax dues;*

(ii) the amount of duty is more than rupees fifty lakhs, then, forty per cent. of the tax dues;

(iii) in a return under the indirect tax enactment, wherein the declarant has indicated an amount of duty as payable but not paid it and the duty amount indicated is,—

(A) rupees fifty lakhs or less, then, sixty per cent. of the tax dues;

(B) amount indicated is more than rupees fifty lakhs, then, forty per cent. of the tax dues;"

In all other categories also, relief is to be calculated on the basis of amount of duty involved. For reference, Section 124(1)(a) is also reproduced as under:

*"(a) where the tax dues are relatable to a show cause notice or one or more appeals arising out of such notice which is pending as on the 30th day of June, 2019, and if the **amount of duty** is,—*

(i) rupees fifty lakhs or less, then, seventy per cent. of the tax dues;

(ii) more than rupees fifty lakhs, then, fifty per cent. of the tax dues;"

Ambiguity raised by the Circular:

As per the Circular, in case of 'amount in arrear', percentage for computing tax relief will vary while comparing all other cases and the same will be determined on the basis of net outstanding amount of duty (i.e. after deducting pre-deposits or deposits) and not the gross amount of duty involved which will form the basis in all other categories. This diversion of calculation, resulting into ambiguity in tax relief and its impacts shown for various categories of declaration made in the SVLDRS, 2019.

Other Categories viz. Tax dues related to SCN and/or Appeal and enquiry, investigation or audit pending as on 30th June 2019

Gross Amount of Duty (A)	Pre-deposit/ Deposit (B)	Tax dues (C)=(A)	Tax Relief (D)	Tax Payable (E)=(C-D-B)

50 Lakh	25 Lakh	50 Lakh	35 Lakh [70% of C]	NIL [no refund of 10 Lakh excess paid]
1 crore	50 Lakh	1 crore	50 Lakh [50% of C]	NIL
10 Lakh	1 Lakh	10 Lakh	7 Lakh [70% of C]	2 Lakh

Tax dues relatable to SCN for late fee or penalty only

Gross Amount of penalty (A)	Pre-deposit/ deposit (B)	Tax dues (C)	Relief (D) = (A)	Payable (E)=(C-D-B)
50 Lakh	NIL	NIL	50 Lakh	NIL
1 crore	NIL	NIL	1 crore	NIL
10 Lakh	NIL	NIL	10 Lakh	NIL

Tax dues in case of Voluntary Disclosure

Gross Amount of Tax (A)	Pre-deposit/ deposit (B)	Tax dues (C)=(A)	Tax Relief (D)	Payable (E)=(C-D-B)
50 Lakh	NA	50 Lakh	NIL	50 Lakh
1 crore	NA	1 crore	NIL	1 crore
10 Lakh	NA	10 Lakh	NIL	10 Lakh

Note: Apart from above tax relief (wherever applicable), there will be total waiver of interest, penalty and fine. Also, there will be immunity from prosecution.

Our Comments:

The above clarification creates a disparity between the cases of 'amount in arrear' viz-a-viz other cases w.r.t. tax relief sought under the SVLDRS, 2019. Seemingly, in above numerical matrix, for same numbers of disputed amount and pre-deposit made, there is substantial difference in net amount payable in 'amount in arrear' as compared to other cases. The impact gets widen with quantum of disputed amount involved.

It may also be noted that Para 2(vii) of above circular also clarifies that even those cases which are under appeal/ adjudication and where final hearing has taken place on or before June 30, 2019, may also fall under the 'arrears category' once the appellate or adjudication order, as the case may be, is passed and has attained finality or appeal period is over, and other requirements under the Scheme are fulfilled. Thus, in such cases also, there will be impact on computation of relief amount.

Chapter 6

Procedure of the Scheme

Entire procedure for SVLDRS, 2019 is designed electronically. Stepwise procedure to be followed if declarant want to make a declaration under this Scheme is as under -

Step 1- Go to the website cbic-gst.gov.in → Click on SVLDRS tab → Click on 'please click here to log on to the scheme' and log in → Click on 'Menu' and under the tab 'Amnesty Scheme' click on 'SVLDRS 1'.

Step 2- Fill the Form- SVLDRS 1 to make declaration. An auto-acknowledgement bearing a unique reference number will be generated by the system.

Step 3- The designated committee will verify the application and issue a statement in SVLDRS 3 in 60 days from the date of declaration when the designated committee agree with the declaration made in Form- SVLDRS 1.

Step 4- Make the payment within 30 days from the date of issuance of SVLDRS 3.

Step 5- If the designated committee is satisfied will issue a discharge certificate in SVLDRS 4 within 30 days of the date of payment by the Declarant

or

If the designated committee is not satisfied with the declaration - It will issue a notice to the declarant in SVLDRS 2 within 30 days of submission of SVLDRS 1 to present the case before the designated committee and then, after hearing concluded, it will issue a statement in SVLDRS 3 for the payment of liability.

Step 6- Make the payment of the liability mentioned in the statement in SVLDRS 3 issued by the committee within 30 days of the issuance of the statement and the committee, then, will issue a discharge certificate in SVLDRS 4 within 30 days of payment by the Declarant.

Procedure in nutshell when the designated committee is satisfied with the amount to be paid by Declarant:

Where amount estimated to be payble by the declarant is **<u>equal to</u>** amount declared by the declarant in SVLDRS 1

→ A statement shall be issued in SVLDRS 3 within a period of **60 days** from the date of receipt of the said declaration, indicating the amount payable by the declarant

→ The declarant shall make payment within **30 days** of issue of such statement

→ On payment of amount indicated, the designated committee shall isue a **<u>discharge certificate in SVLDRS 4</u>**, within 30 days of the said payment and production of proof.

Procedure in nutshell when the designated committee is not satisfied with the amount to be paid by Declarant:

Where amount estimated to be payble by the declarant **<u>exceeds</u>** the amount declared by the declarant in SVLDRS 1

→ An estimate shall be issued in SVLDRS 2 **within 30 days** from date of receipt of the said declaration, indicating the estimated amount payable.

→ oppurtunity of being herd will be given

→ After hearing, a statement in SVLDRS 3 shall be issued, **within 60 days** from the date of receipt of the said declaration

→ The declarant shall make payment **within 30 days** of issue of such statement.

→ On payment of amount indicated, the designated committee shall issue a **<u>discharge certificate in SVLDRS 4</u>**, within 30 days of the said payment and production of proof

<u>Other important points to be noted</u>:

- **Separate Declaration** under each case shall be made.
- The declarant may indicate his agreement or disagreement with the estimate of the designated committee, may make written submissions or waive personal hearing or seek an adjournment by filing Form SVLDRS-2A, in absence of which the designated committee shall decide the matter based on available records.

- On receipt of a request for an adjournment, the designated committee may grant the same one time in Form SVLDRS-2B.
- Within 30 days of the date of issue of Form SVLDRS-3, the designated committee may modify its order to correct any arithmetical/ clerical error (apparent on the face of record or pointed out by the declarant or suo motu) by issuing a revised Form SVLDRS-3.
- On getting discharge certificate, the declarant shall not be liable to pay any further duty, interest, or penalty or prosecution with respect to the matter and time period covered in the declaration.

Separate declaration for each return – amount in arrears:

One of the categories of cases for which a declaration can be made under the Scheme is where the declarant has filed a return but not paid duty. It is possible that a taxpayer may not have paid duty in case of multiple returns.

It may be noted that Rule 3 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 provides that a separate declaration shall be filed for each case. Further, in terms of the Explanation to Rule 3, in case of arrears, a case means 'an amount in arrears'. Section 121(c)(iii) defines an "amount in arrears" as the duty recoverable on account of the declarant having filed a return but not paying duty.

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(iii)], the CBIC has clarified that since the amount in arrears pertains to a return, a separate declaration will need to be filed for each such return.

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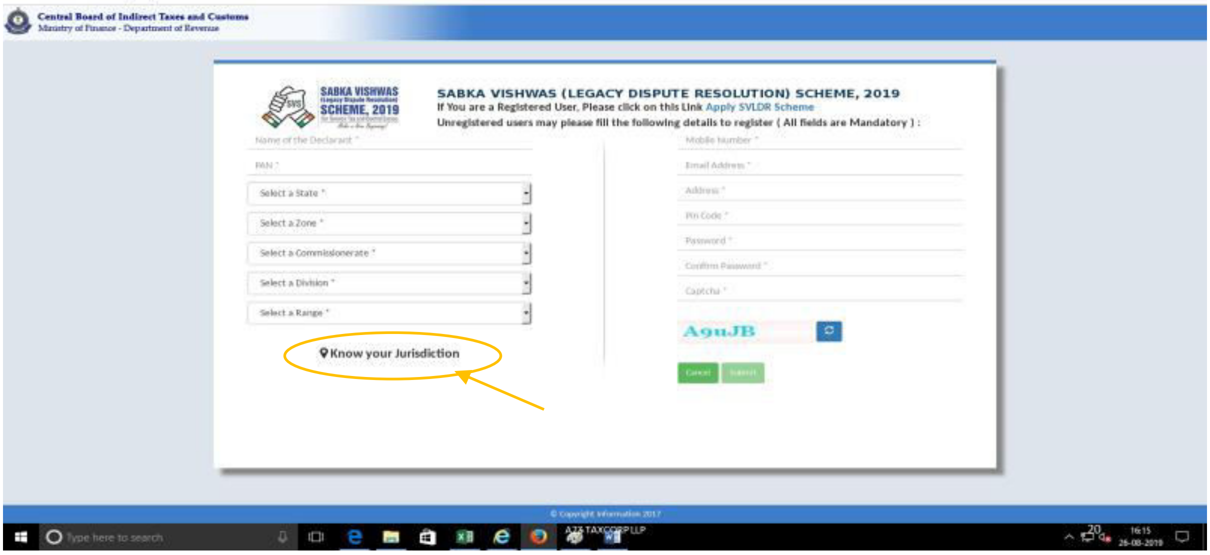
Chapter 7

Step wise guide to apply for SVLDRS, 2019

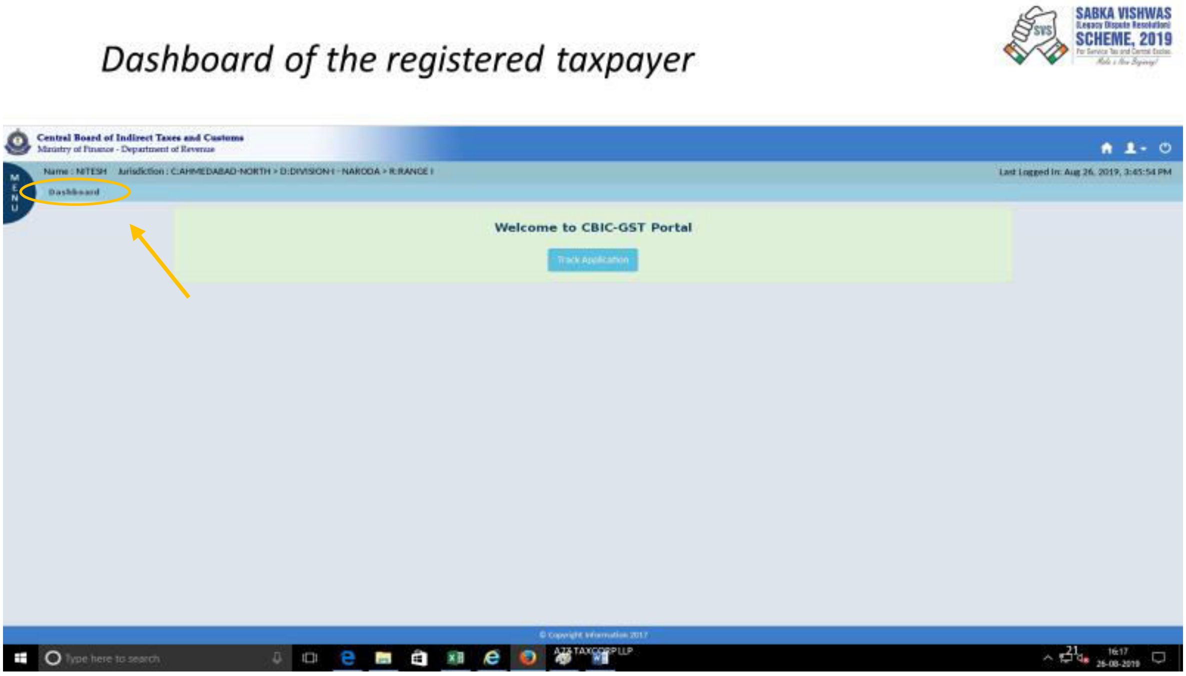
How to Apply for SVLDRS, 2019...

- *The taxpayer can apply for this scheme from https://cbic-gst.gov.in*
- *The taxpayer already registered under CE / ST can login and fill Part-B of SVLDRS Form-1.*
- *The unregistered taxpayer can register himself by filling Part-A of SVLDRS Form -1.*

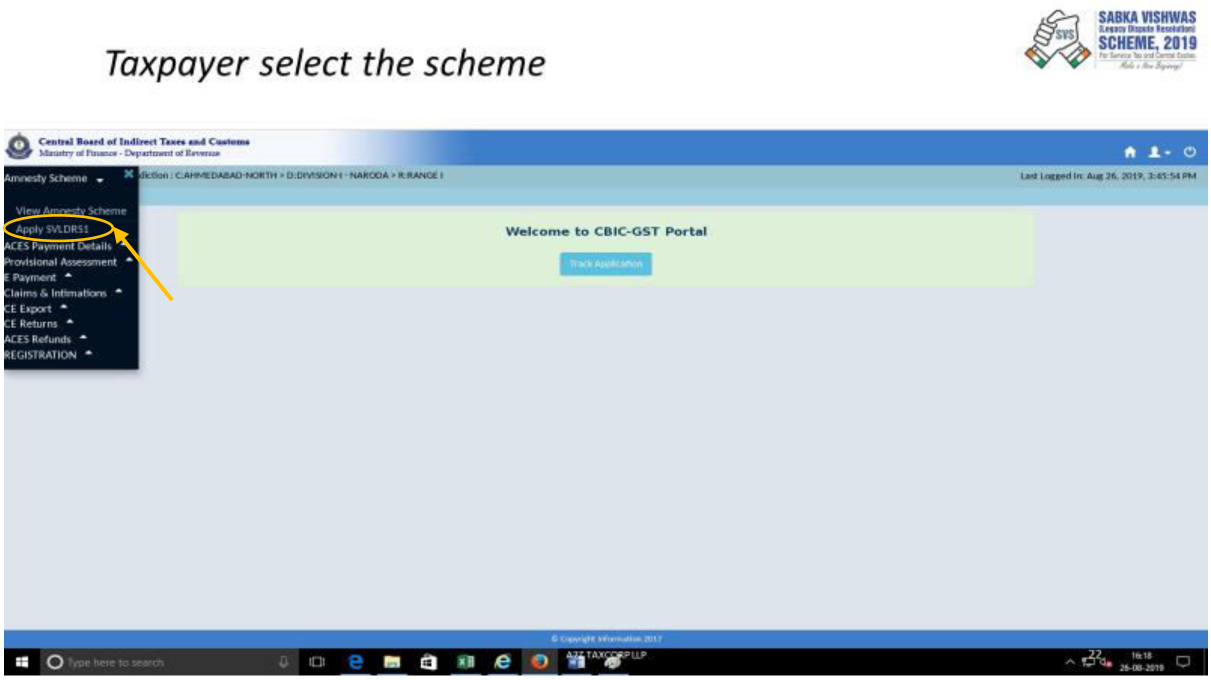
If the taxpayer selects the jurisdiction from know your jurisdiction then value of the fields i.e. State/ Zone/ Commissionerate/ Division/ Range will auto populated.



Click on "Dashboard"

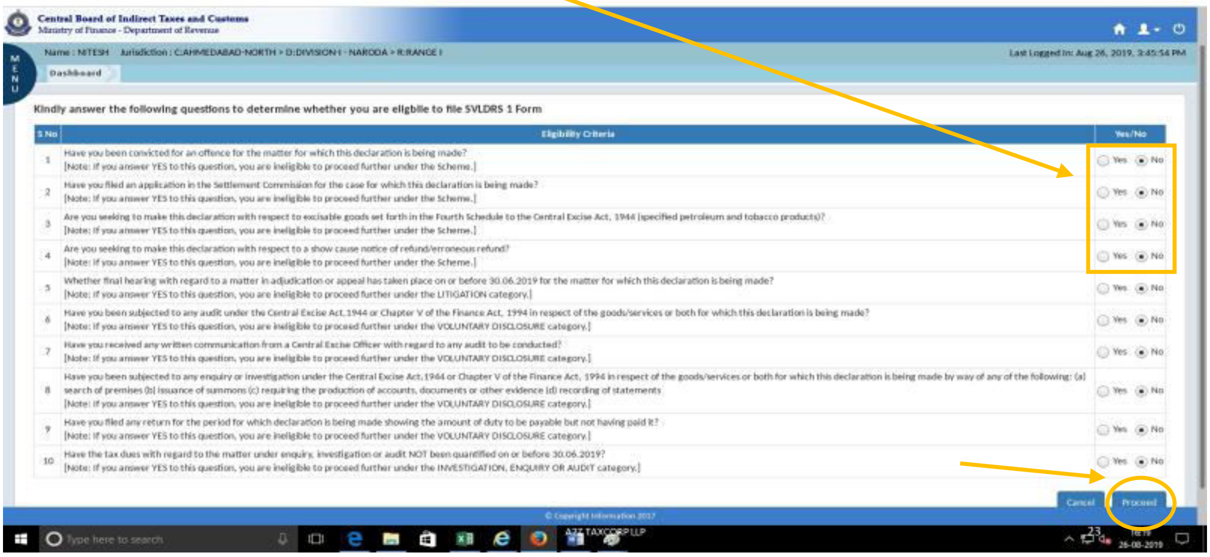


Click on "Apply SVLDRS1"

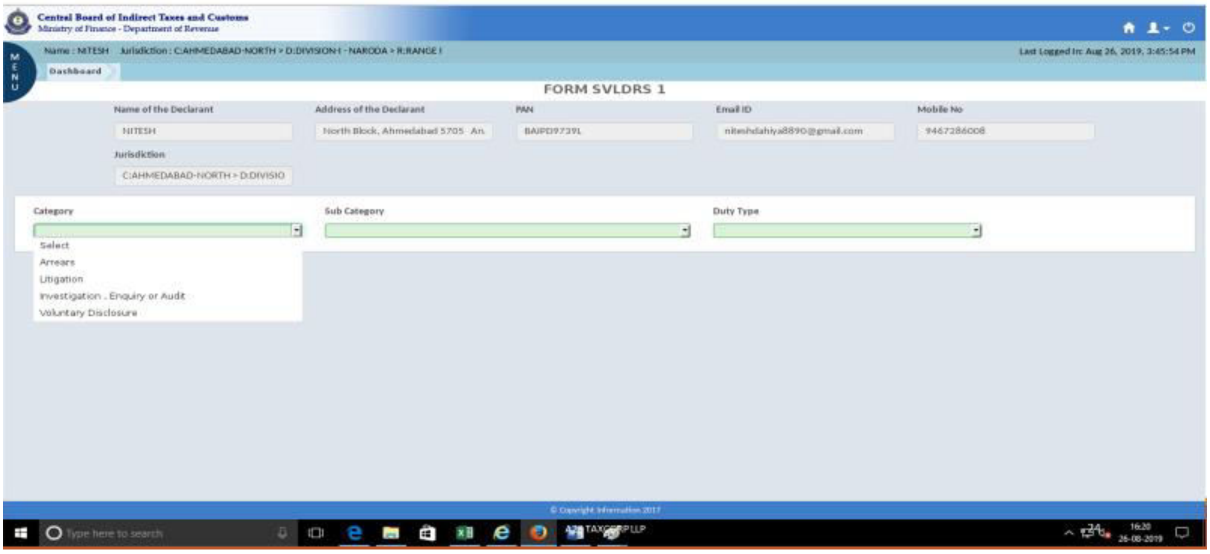


After selecting "Apply SVLDRS1" eligibility checklist dashboard opens. Please answer in 'No' to the first four questions and after that select correct option as per the declaration type. After marking to the checklist queries click on 'proceed'

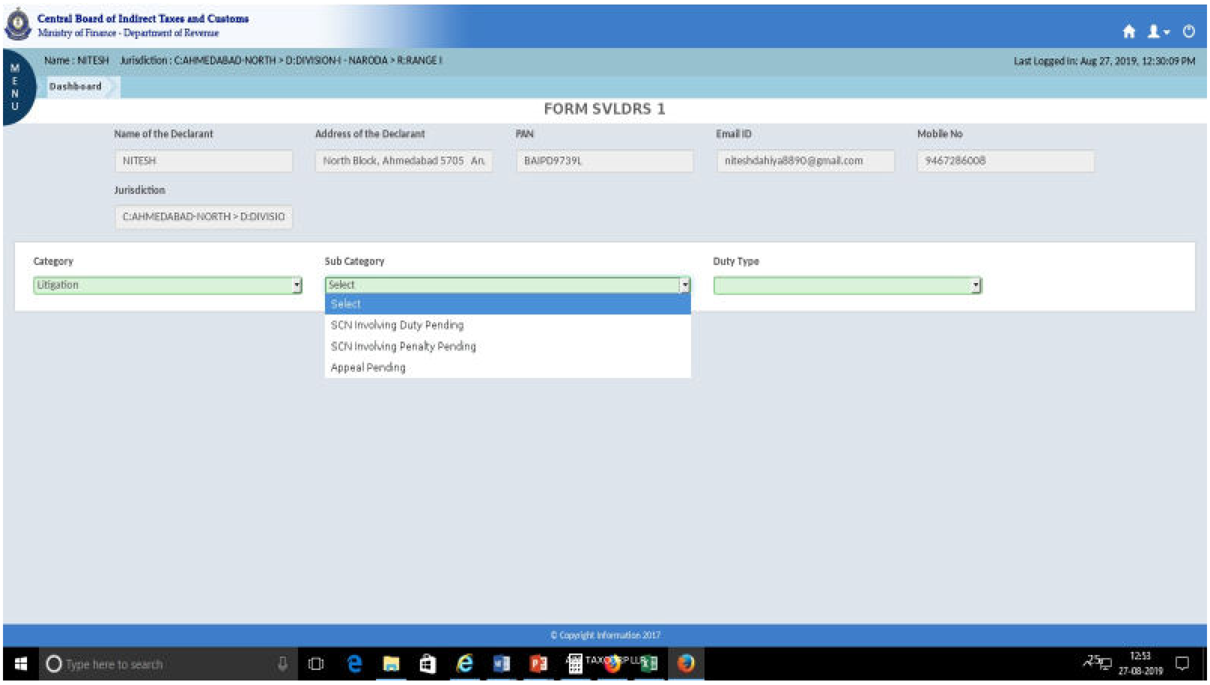
The answer to first four question should be "No" in order to apply for this scheme.



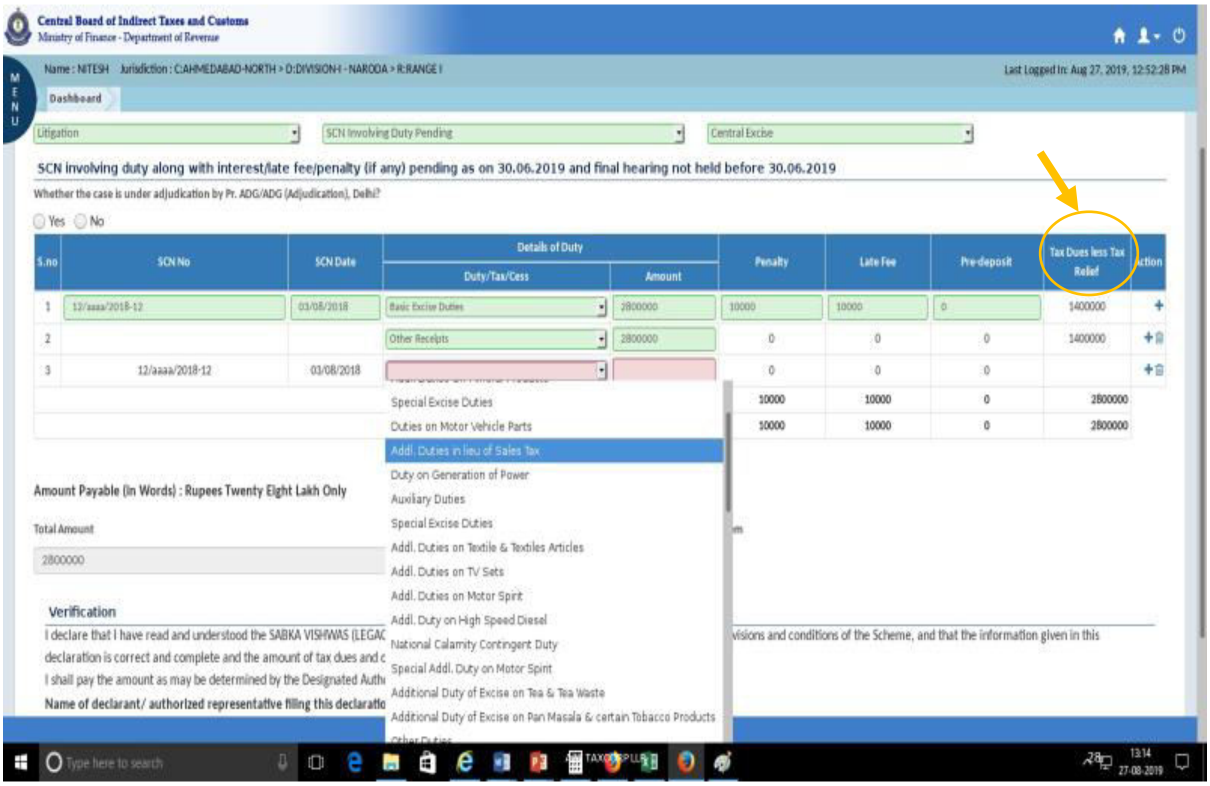
Different categories available under this scheme.
The taxpayer will select category , subcategory and duty type.



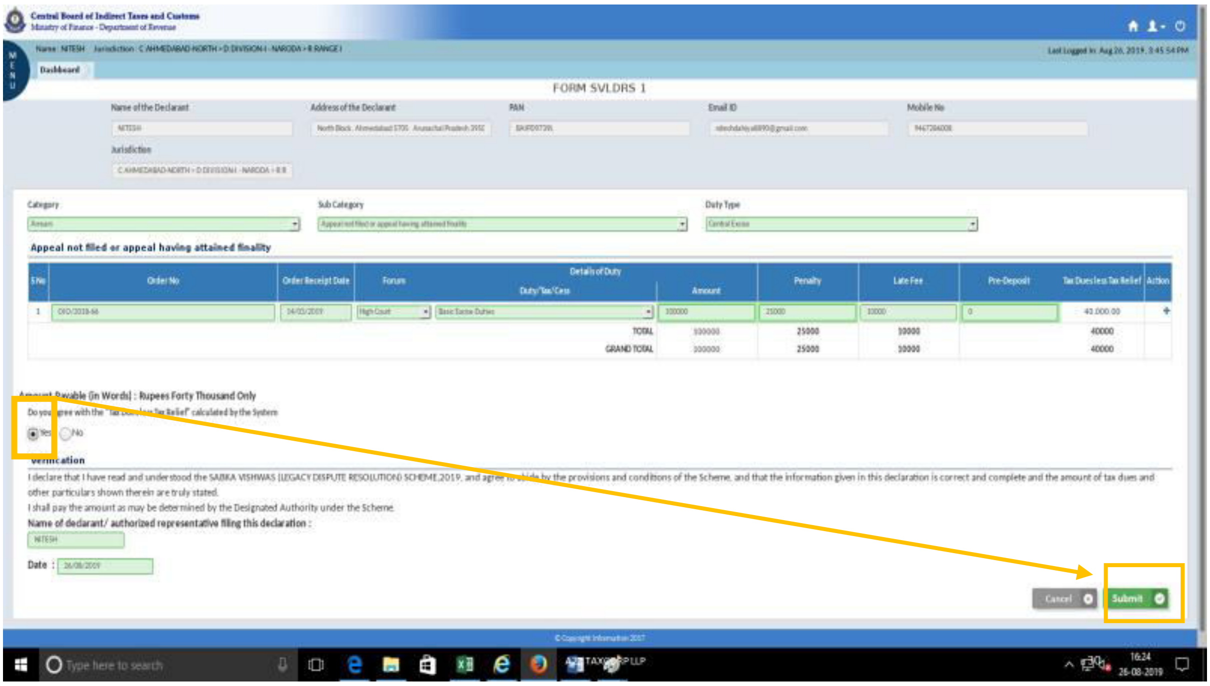
In the category filed one can select either 'Arrears', 'Litigation', 'Investigation, Enquiry or Audit', 'Voluntary Disclosure' and depending on selection Sub-category tab can be selected from drop-down. After that, duty type i.e. CE/ST shall be selected.



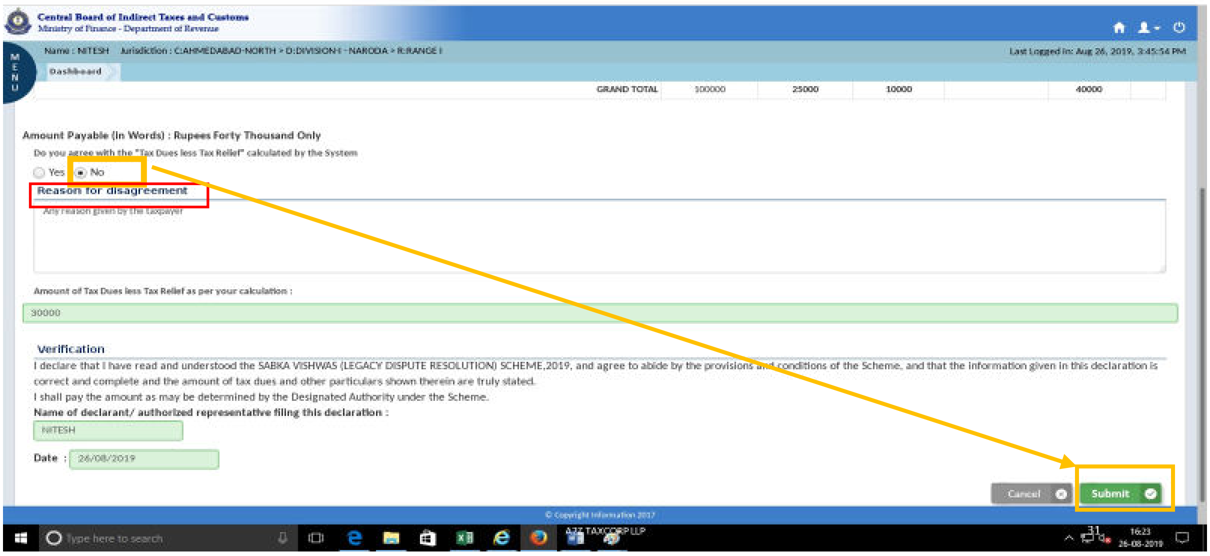
After selection of correct 'category', 'Sub-category' and 'Duty type', amount of duty, penalty and late fee and pre-deposit shall be filled. The system shall auto-calculate <u>tax dues less relief</u> on the basis of value feeded.

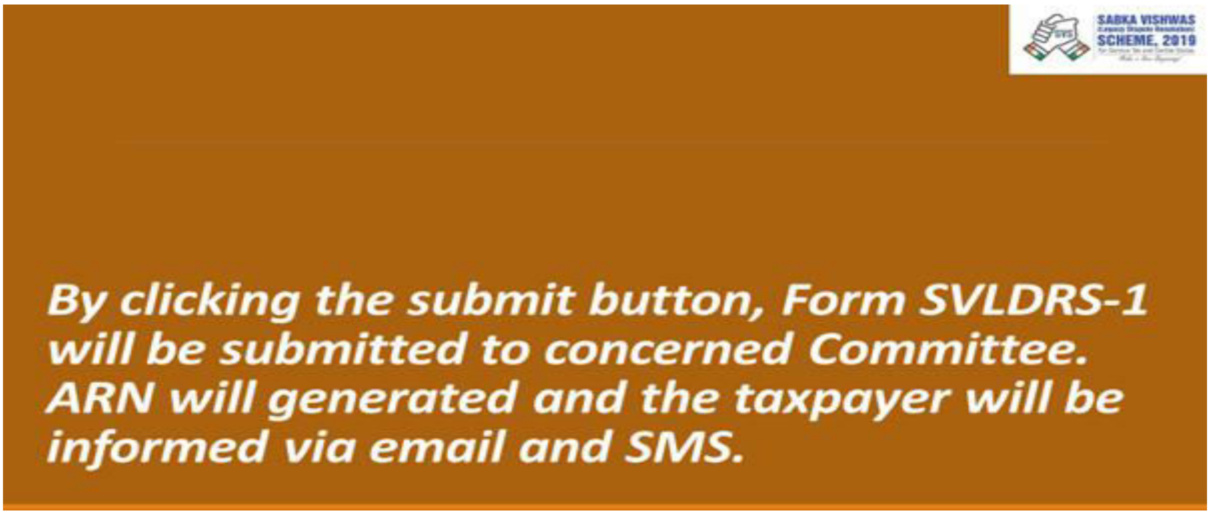


After the amount is auto calculated by the system, the taxpayer may agree or disagree with such amount. In case of disagreement, reason shall be given and after proper verification, the form shall be submitted.



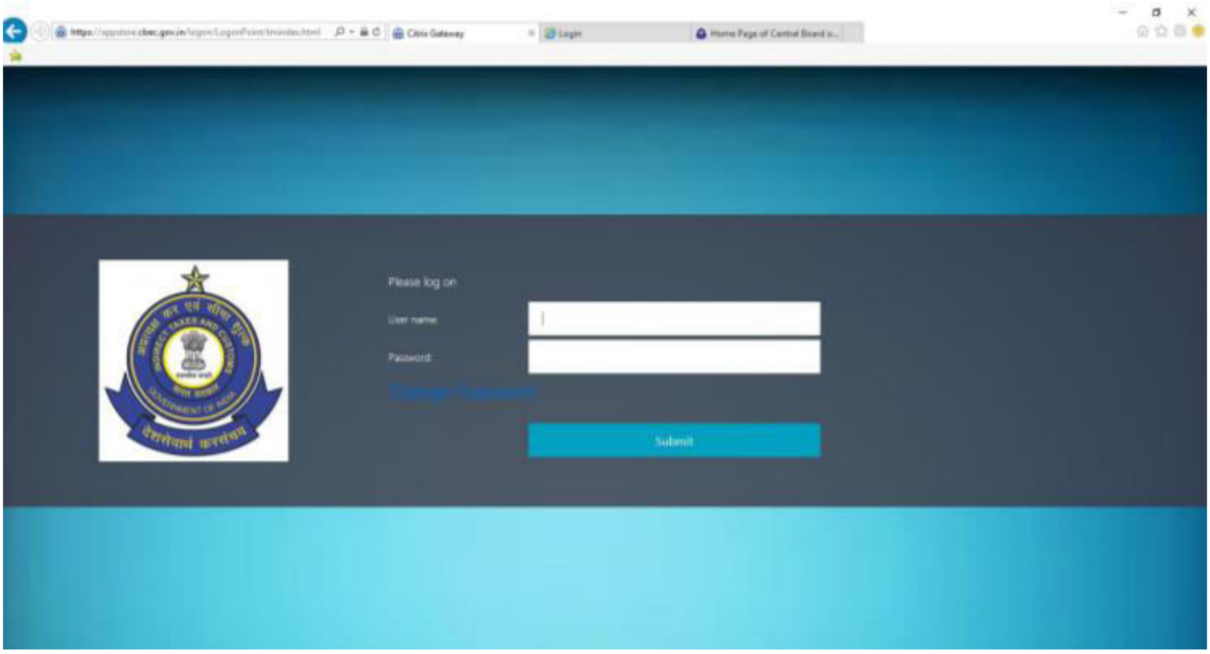
If the taxpayer doesn't agree with the computer generated amount then the taxpayer can enter amount as per his calculation.



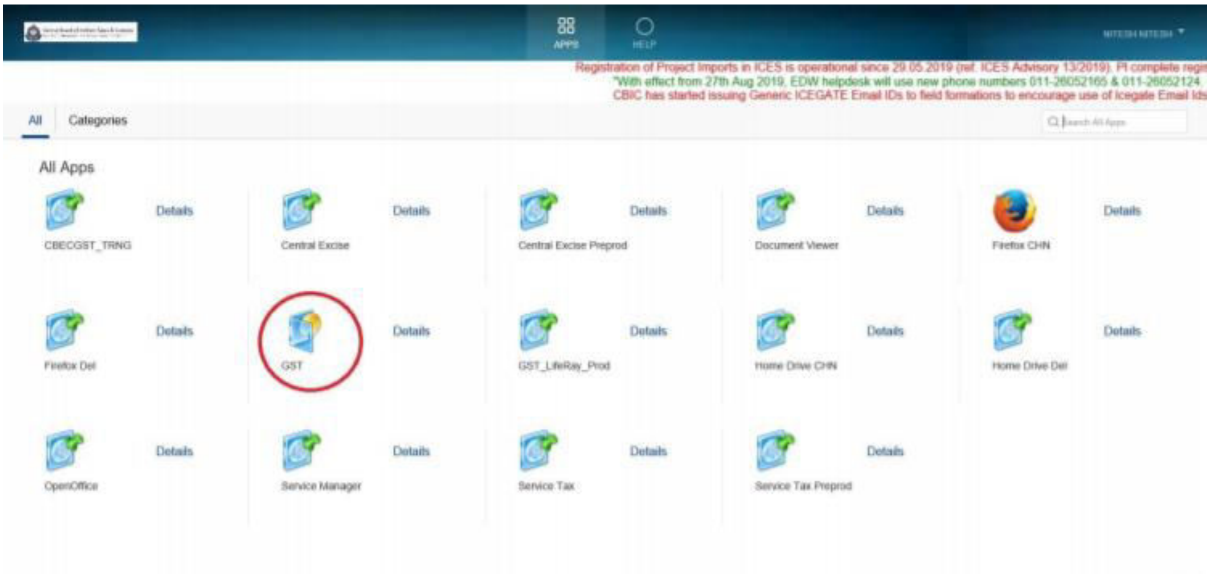


After the taxpayers has filled and submitted SVLDRS-1, the tax officer can access the same as under:

Step 1: The tax officers of the designated committee will login in application using their SSO-ID.

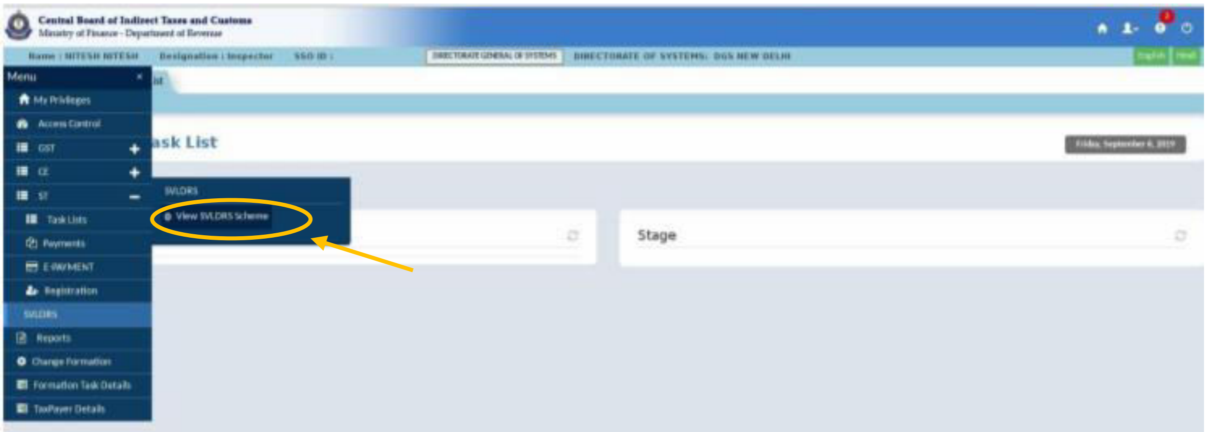


Step 2: The tax officer shall click on GST icon from the screen.



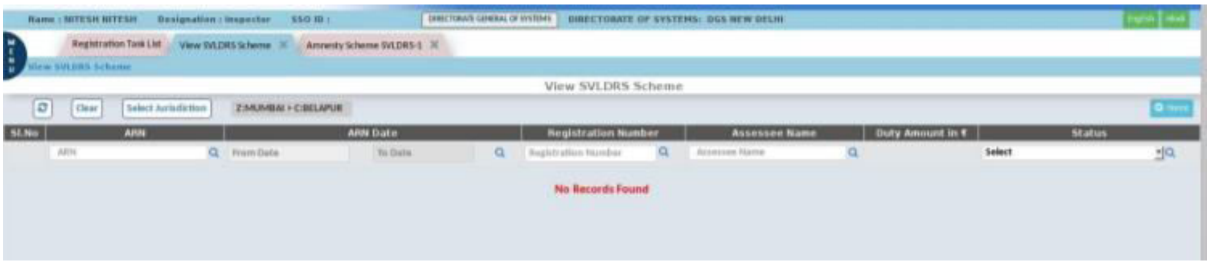
Step 3: The tax officer shall click on "Menu" tab

Step 4: From the Menu, the tax officer shall select CE tab or ST tab. By clicking that, the tax officer will see a button "SVLDRS" and on clicking on the "SVLDRS", the tax officer shall select "View SVLDRS Scheme".

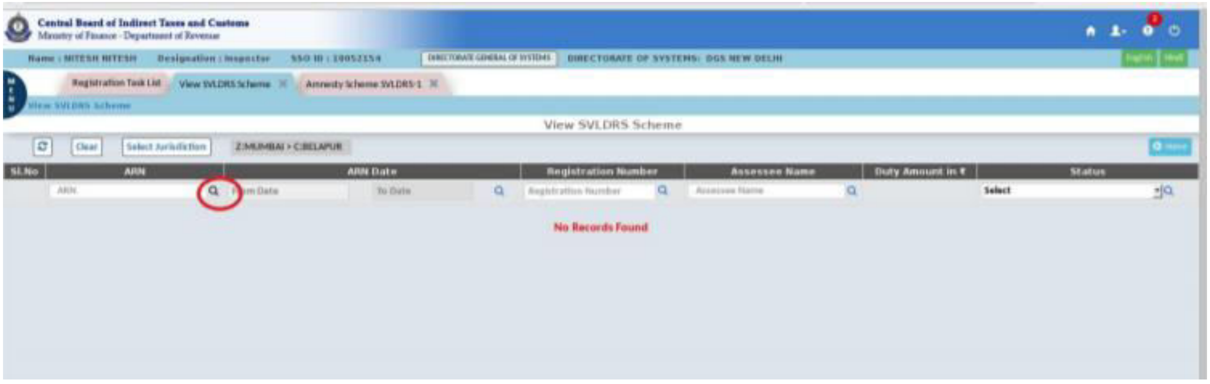


Step 5: The tax officer will be shown the screen as below.

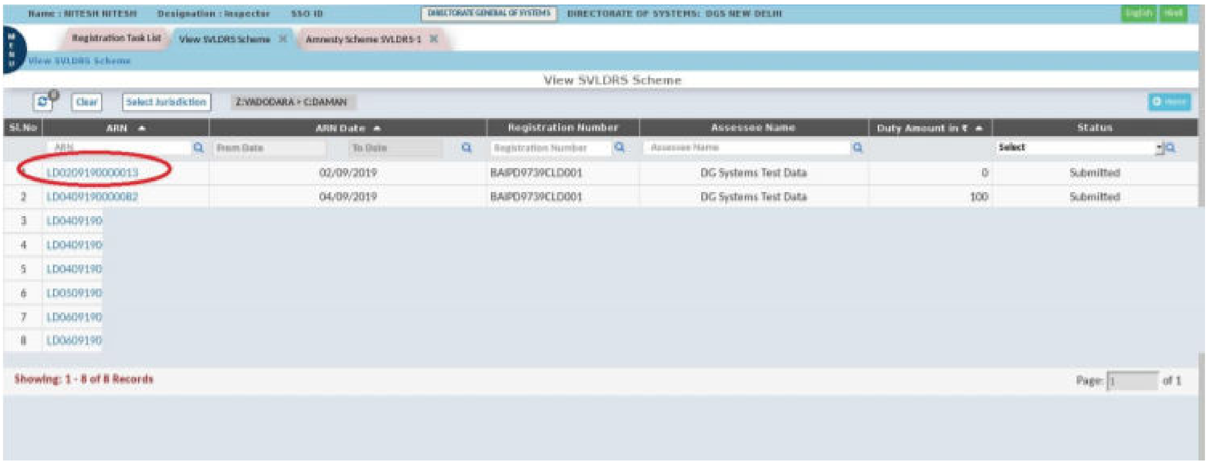
Note: In case the tax officer is nominated in more than one designated committee then the tax officer need to check his jurisdiction.



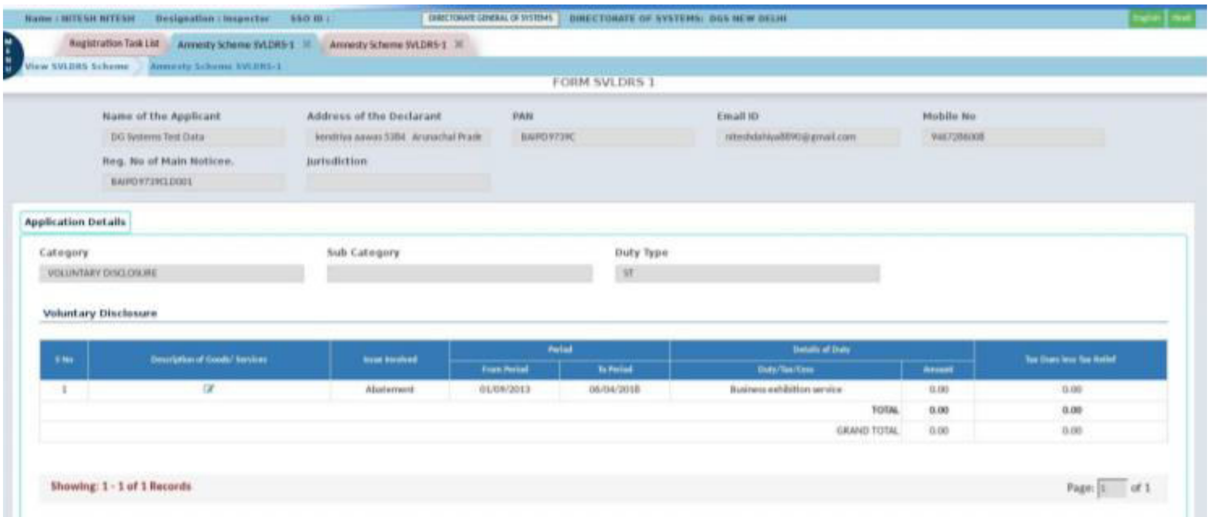
Step 6: The tax officer shall click on the "search" icon in the ARN column.



Step 7: The tax officer will be shown the list of applications submitted to the tax officer's designated committee. The tax officer shall click on the ARN number from the list.

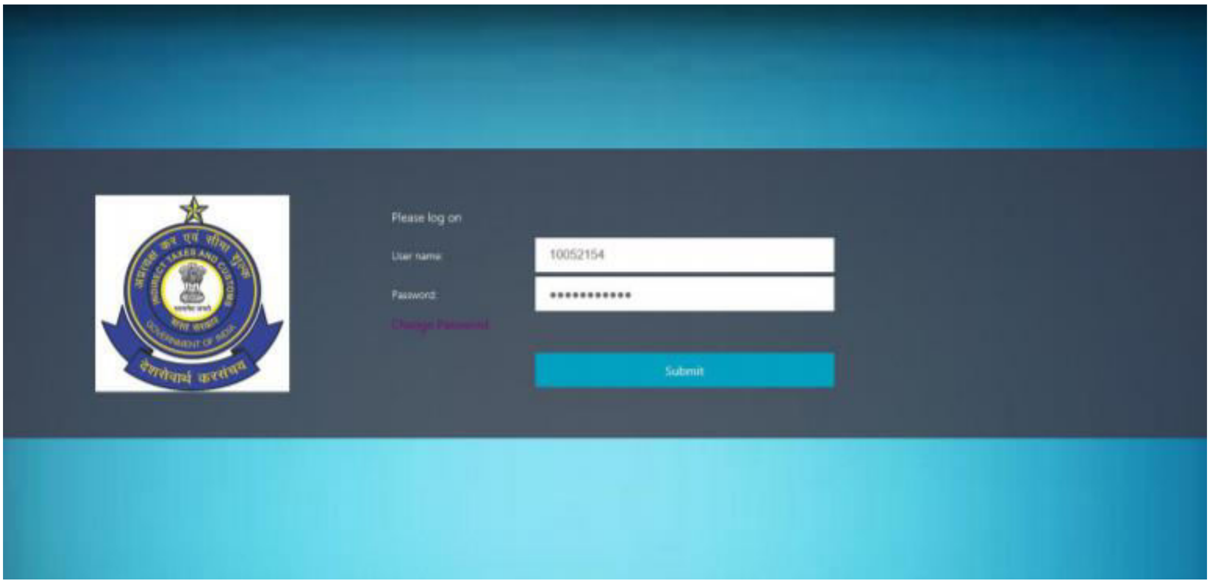


Step 8: The tax officers will be shown the application details as submitted by the taxpayer.

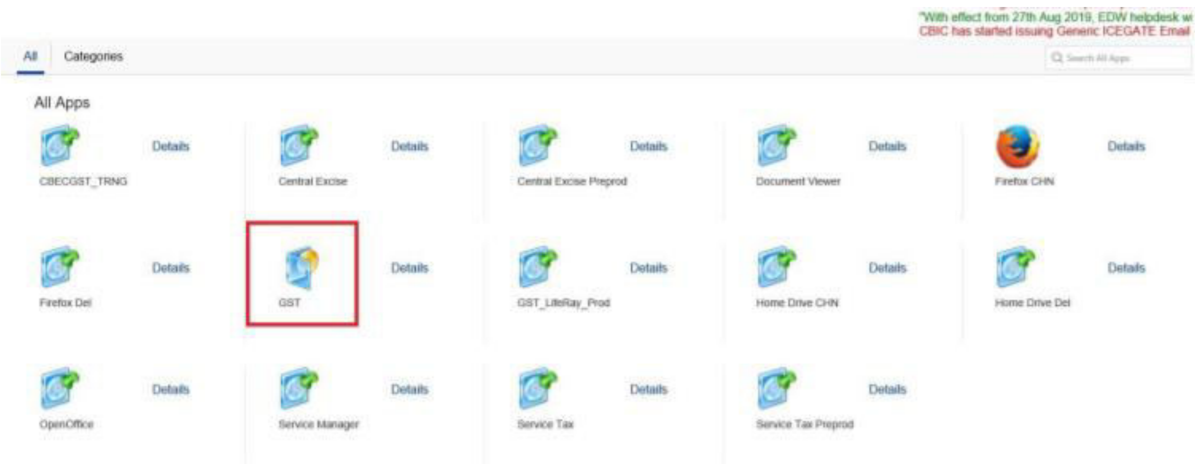


Procedure of Action/ view on application submitted by taxpayer

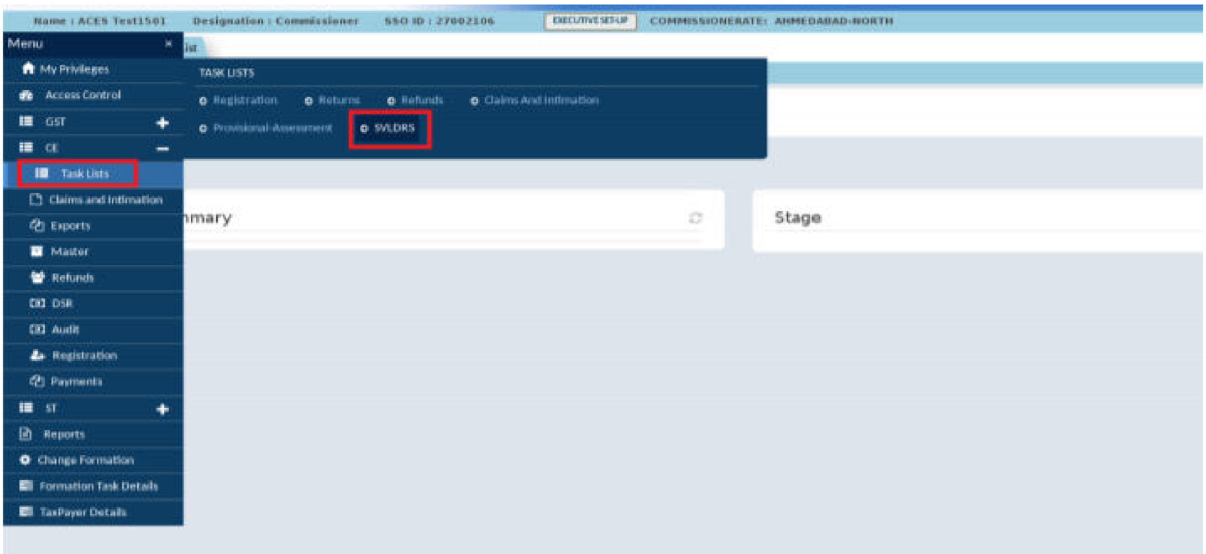
Step 1: There will be one member in each designated committee with Approval Permissions i.e. the officer will be able to issue SVLDRS2/2B/3/4. The Tax officer of the designated committee shall login with his SSO-ID and Password.



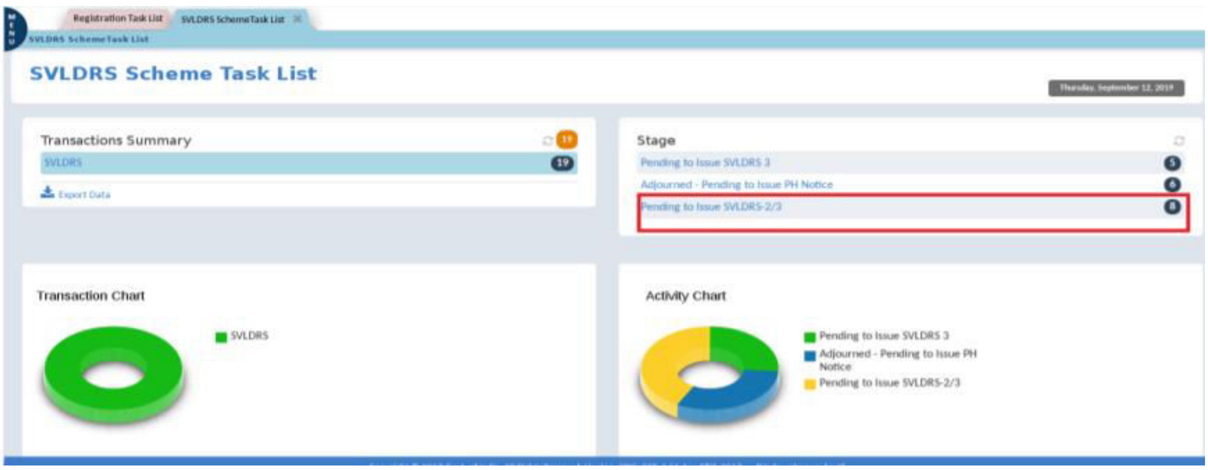
Step 2: The tax officer shall select the GST –icon from the list and clicks on the icon.



Step 3: The tax officer selects SVLDRS from the Menu i.e. Menu >> CE >> Task List >>SVLDRS.



Step 4: Under the stage Tab different options are available as per the tax officer's task i.e. Pending to Issue SVLDRS 2/3, Adjournment-Pending to Issue PH Notice, Pending to Issue SVLDRS 3. The tax officer shall select Pending to issue SVLDRS 2/3.



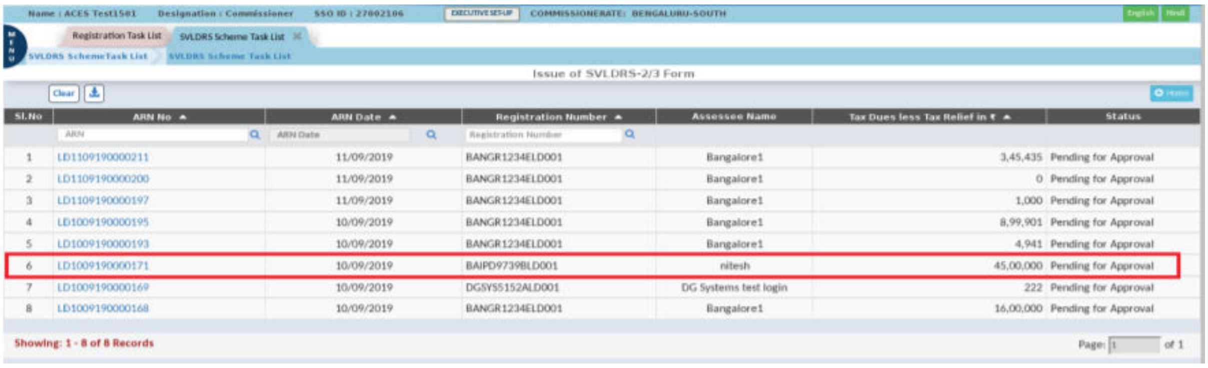
After receiving Form-1 the tax officer will have three Options:

(a) Issue SVLDRS 2

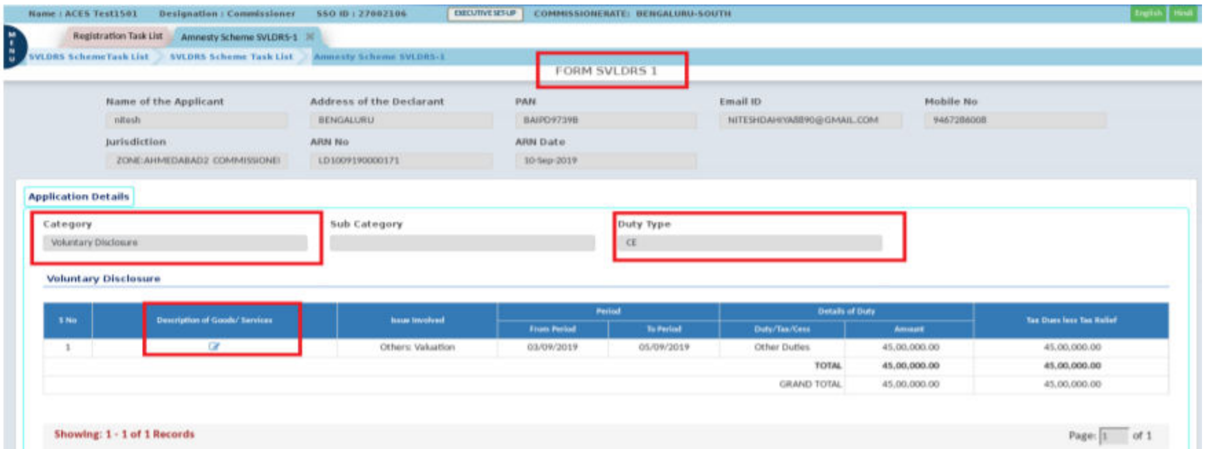
(b) Issue SVLDRS-3

(c) Issue SVLDRS-4 (under development)

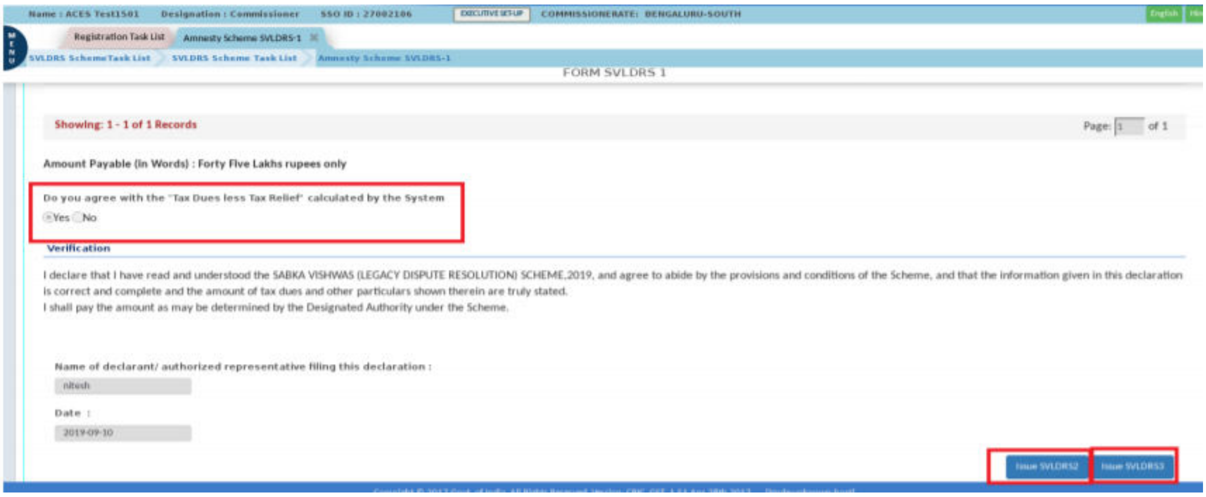
Step 5: On clicking "Pending to issue SVLDRS 2 / 3" the tax officer will be shown list of all pending applications (Form-1). The tax officer shall click on the ARN no. of any pending application. The tax officer would be able to sort the application by date, Amount, ARN No.



Step 6: On clicking on the ARN, the tax officer will be able to see SVLDRS Form-1 as submitted by the taxpayer



Step 7: Based on the tax selection and the tax officer's observations, the tax officers can select SVLDRS-2 or SVLDRS-3.



(a) Issue SVLDRS 2 - > The tax officer issue SVLDRS-2 in the following conditions: -

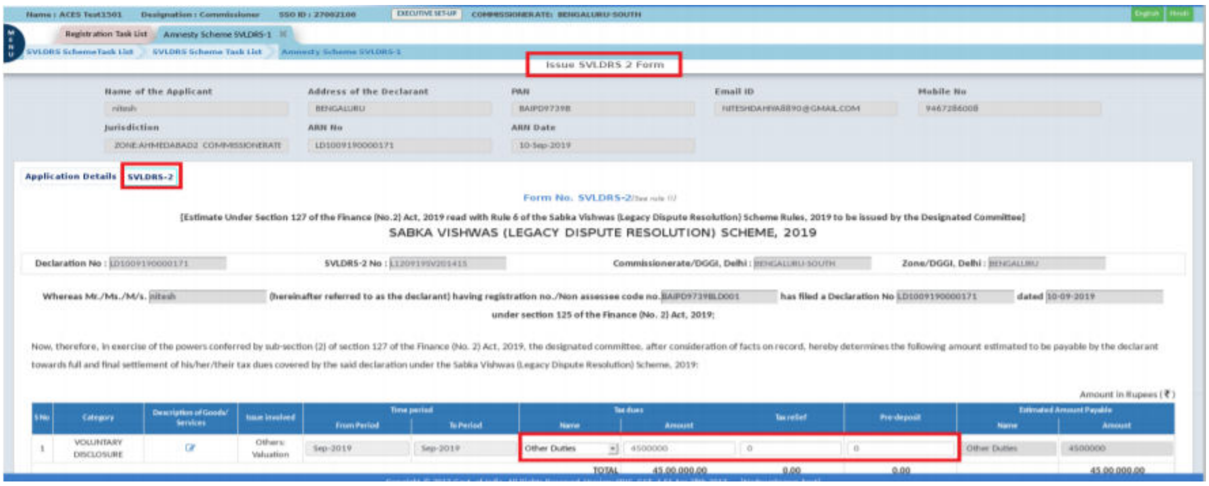
1. **If the taxpayer does not agree with the Auto-Calculated "Tax dues less Tax Relief Amount".**

2. **If the tax officer doesn't agree with the declaration made by the taxpayer in the SVLDRS Form-1.**

(b) Otherwise, the tax officer can directly issue SVLDRS-3 Form.

Step 8: Issue SVLDRS-2 Form

- **When the tax officer clicks on the Issue SVLDRS-2 Form, the tax officer will be able to see below screen. The tax officer can edit all fields except "Category" and "Issue Involved" columns values.**

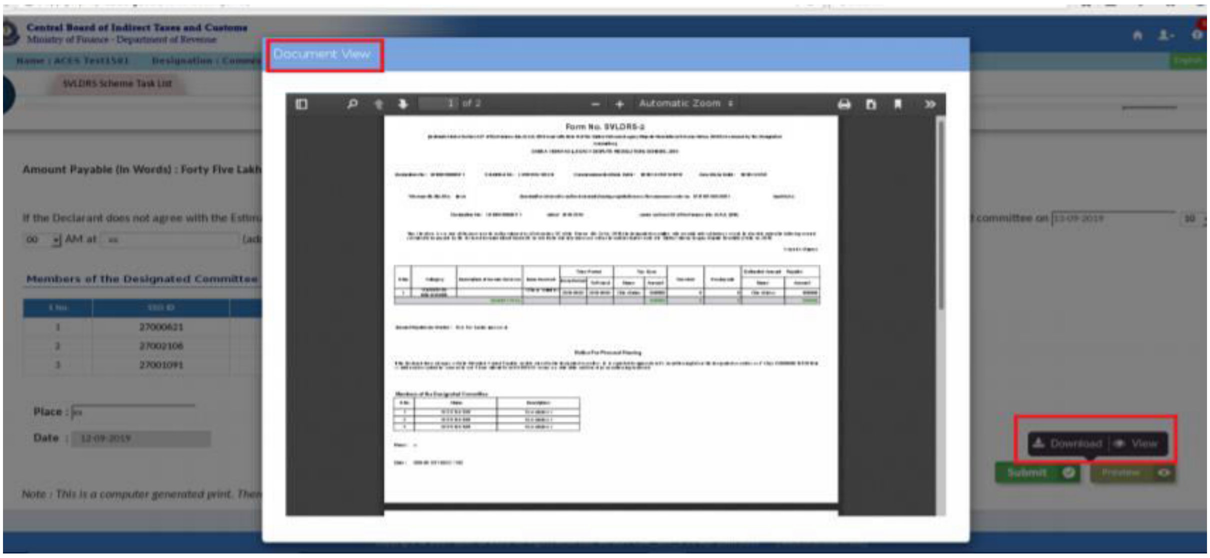


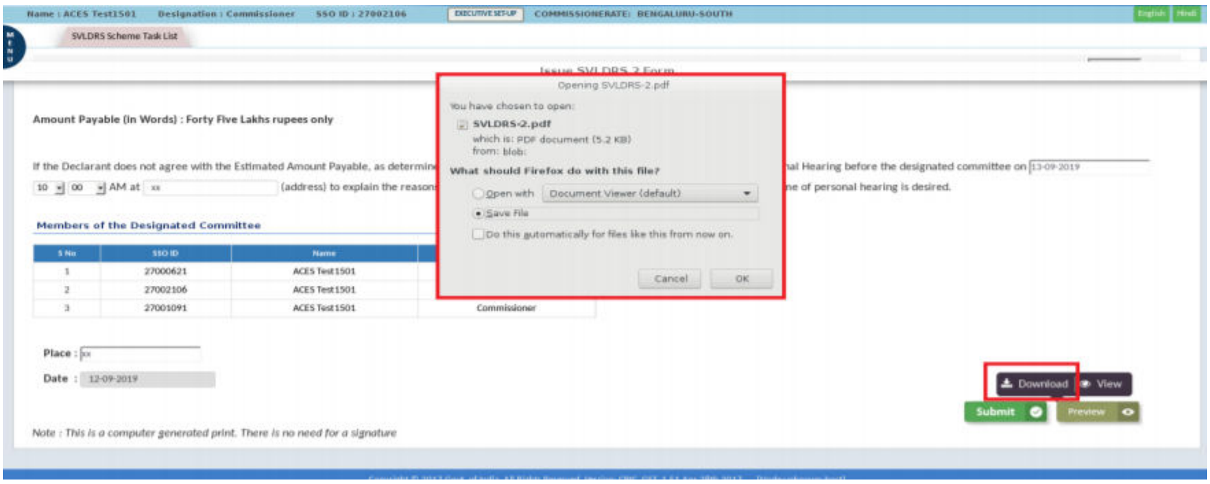
Caution: For the time being the tax officer are requested not to edit/change value of "Tax Relief" Column.

The tax officer will have to fill Personal Hearing details e.g. Date, Time, Address & "Place" field before issuance of SVLDRS-2.

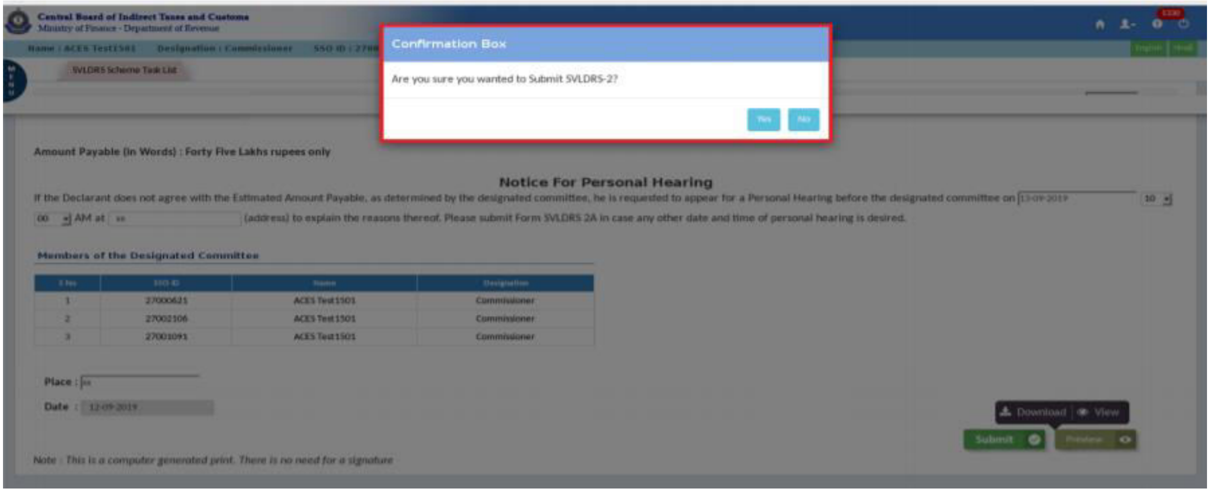
Caution: Kindly select the PH date within 10 days from the application received date.

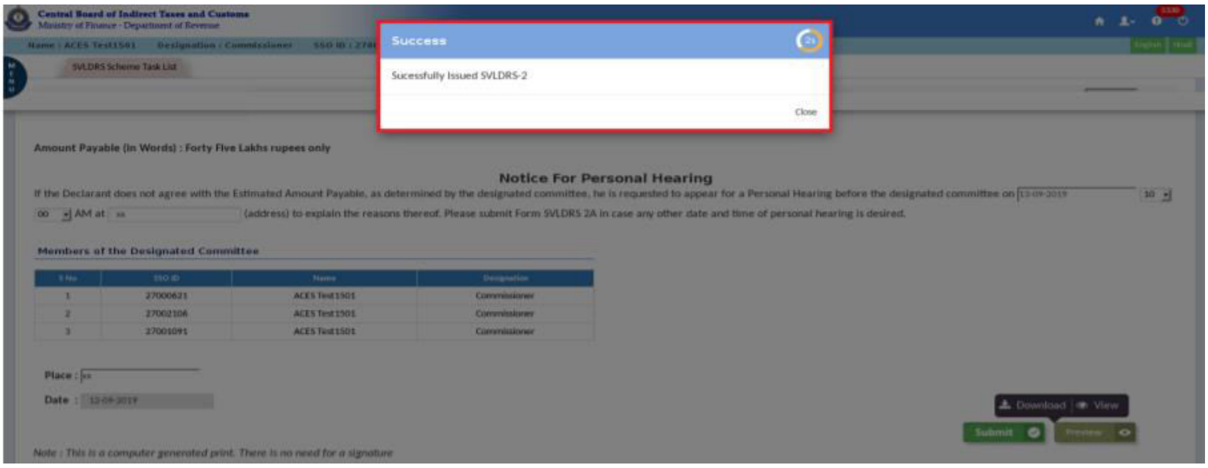
On clicking the preview button, the tax officer will be able to see the detailed filled by him/her. The same can be downloaded in .pdf format.



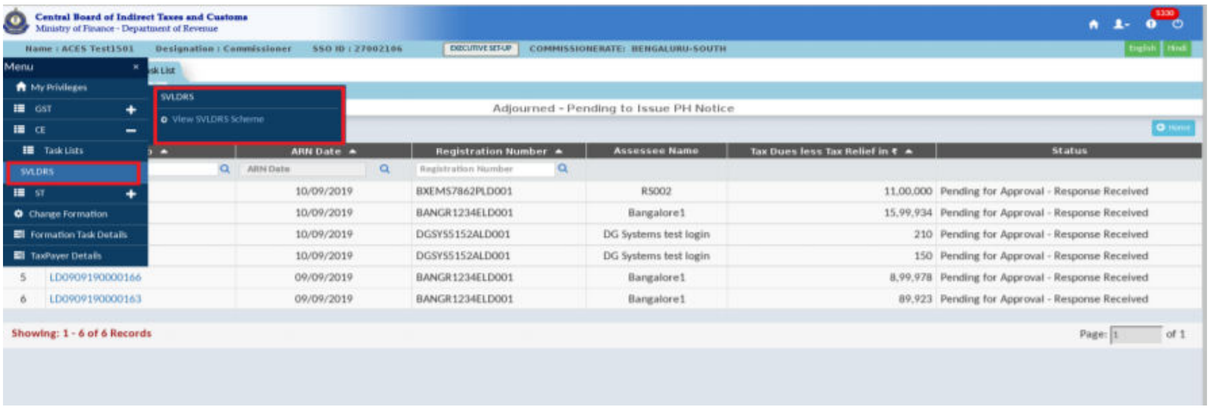


On click on the "submit" button, a confirmation box will appear if the tax officer confirms the same, then the SVLDRS-2 will be issued and the taxpayer will get notified about the same by SMS/Email.

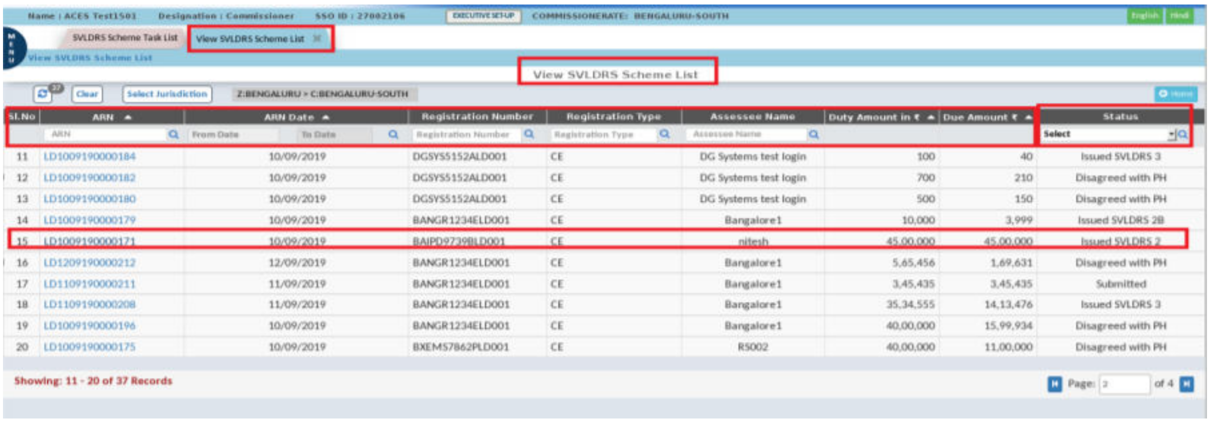




To see the status of this application (SVLDRS 2 issued) Go to: Menu >> CE/ST >> SVLDRS >> View SVLDRS Scheme.



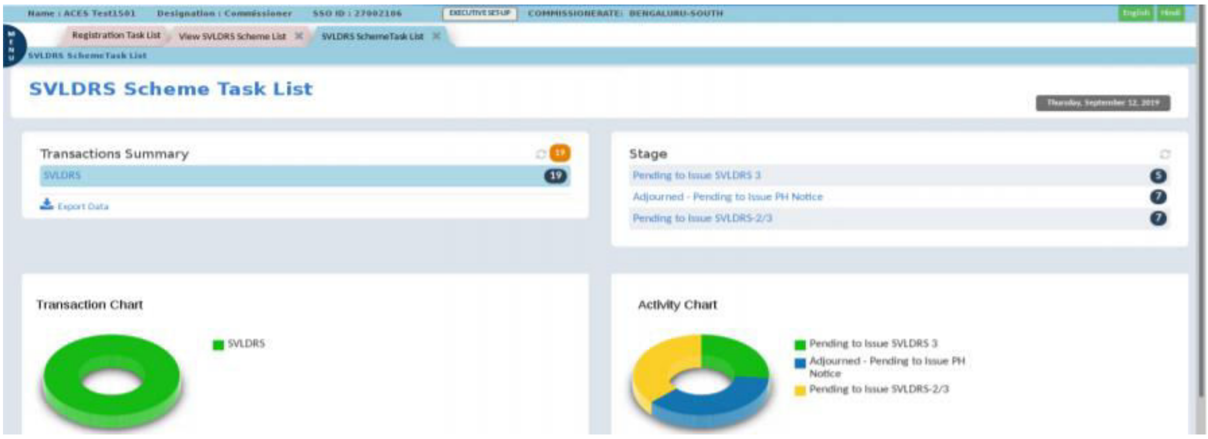
Here the tax officer will be shown all the application and status of each application. The tax officer can filter results from "Status" Column.



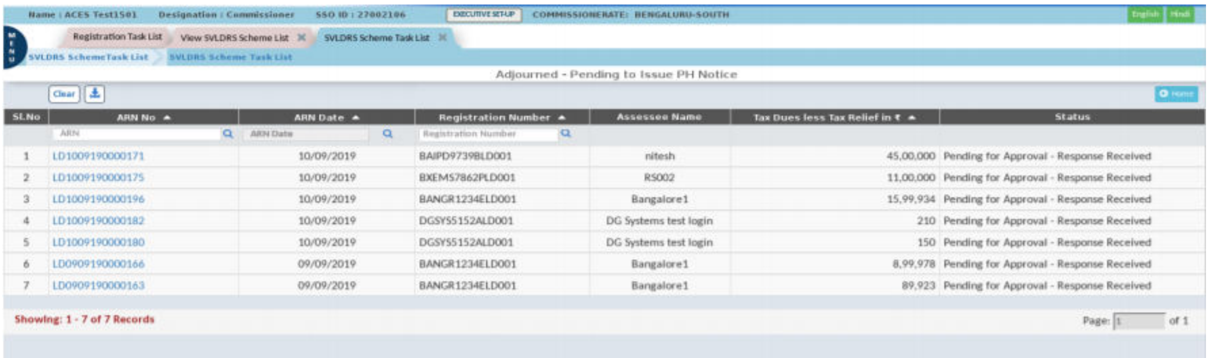
Step 9: To Issue SVLDRS-2B

• When the taxpayer chose "Yes" to the question "Do you want to seek an Adjournment of Personal Hearing offered to you" in SVLDRS-2A form submitted by him.

• These types of applications come under "Adjourned – Pending to issue PH Notice" in Status Tab. The tax officer clicks on that.



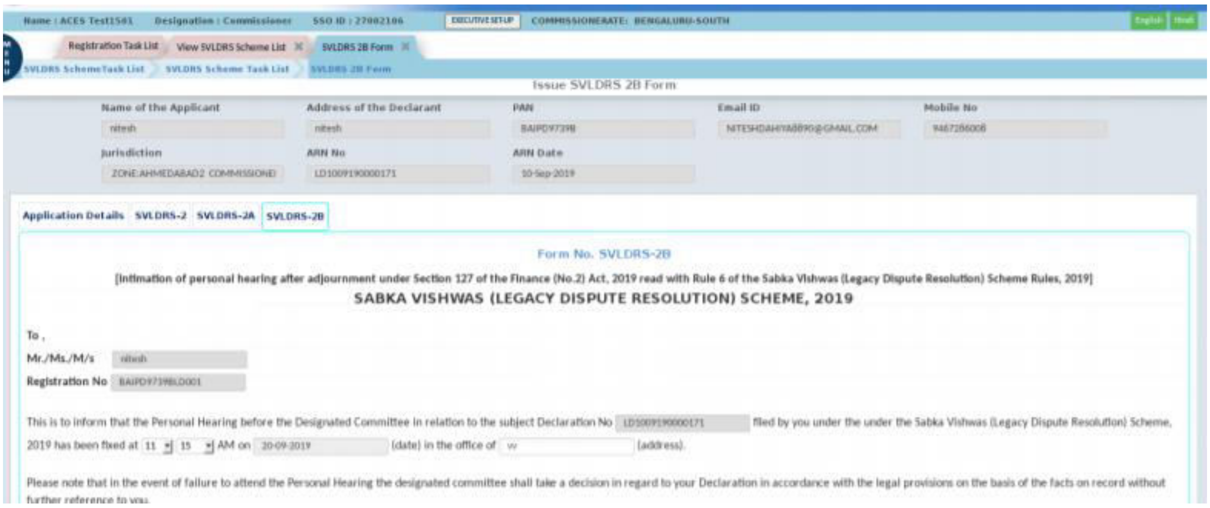
• The tax officer will be shown the list of application which are pending to issue PH Notice i.e. SVLDRS-2B form. The tax officer clicks on the ARN against which he/she wants to issue SVLDRS-2B.



• The tax officer will be shown the SVLDRS-2A as submitted by the taxpayer.

• The tax officer can view and download the supported documents submitted by the taxpayer. The tax officer can also view the preferred date of personal hearing as selected by the taxpayer.

• When the tax officer clicks on the "Issue SVLDRS 2B" button then the below screen will be shown to the tax officer.



The tax officer will have to fill Personal Hearing details e.g. Date, Time, Address & "Place" field before issuance of SVLDRS-2B.

The tax officer can preview SVLDRS-2B form and can download the same in .pdf format.

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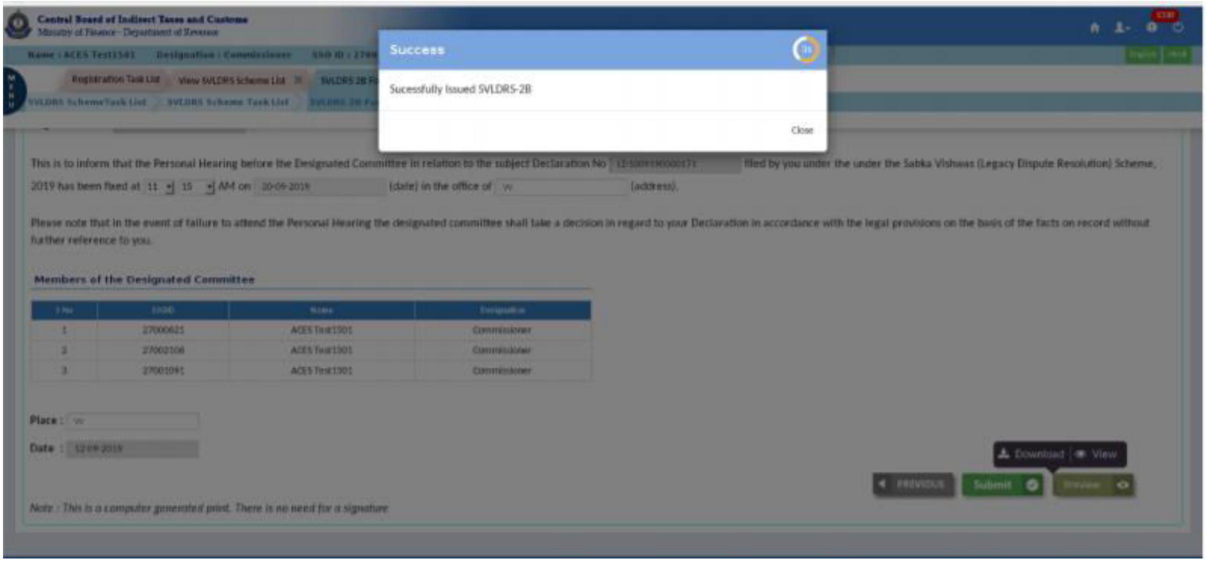
• **On click on the "submit" button, a confirmation box will appear if the tax officer confirms the same, then the SVLDRS-2B will be issued and the taxpayer will get notified about the same by SMS/Email.**



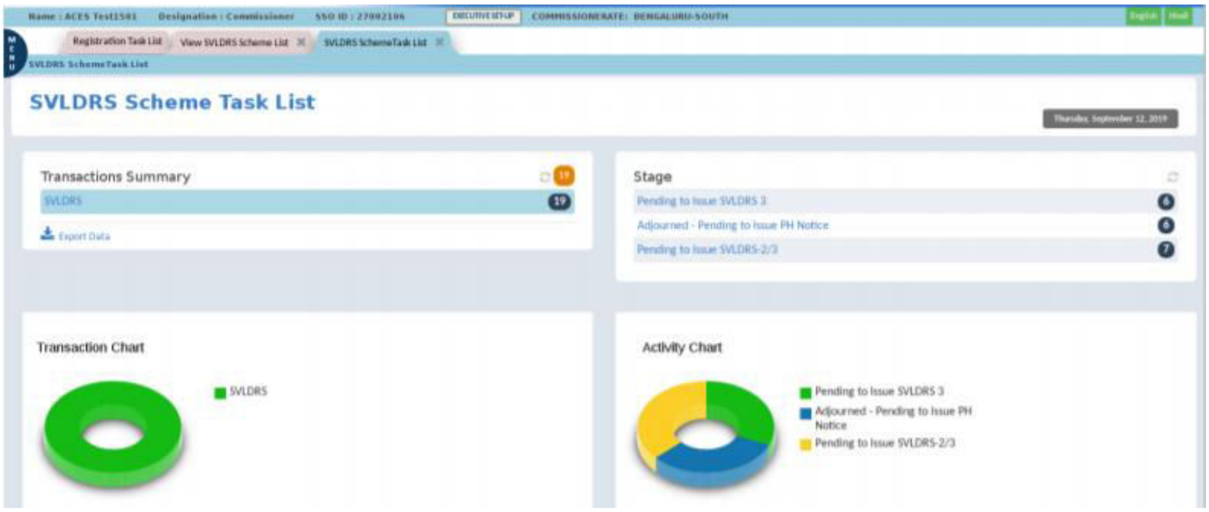
Step 10: The tax officer issue SVLDRS-3 in the following conditions:-

1. If the taxpayer agrees with the Auto-Calculated "Tax dues less Tax Relief Amount" in SVLDRS form-1 & the tax officer doesn't find any discrepancy in the declaration made by the taxpayer in the SVLDRS Form-1.

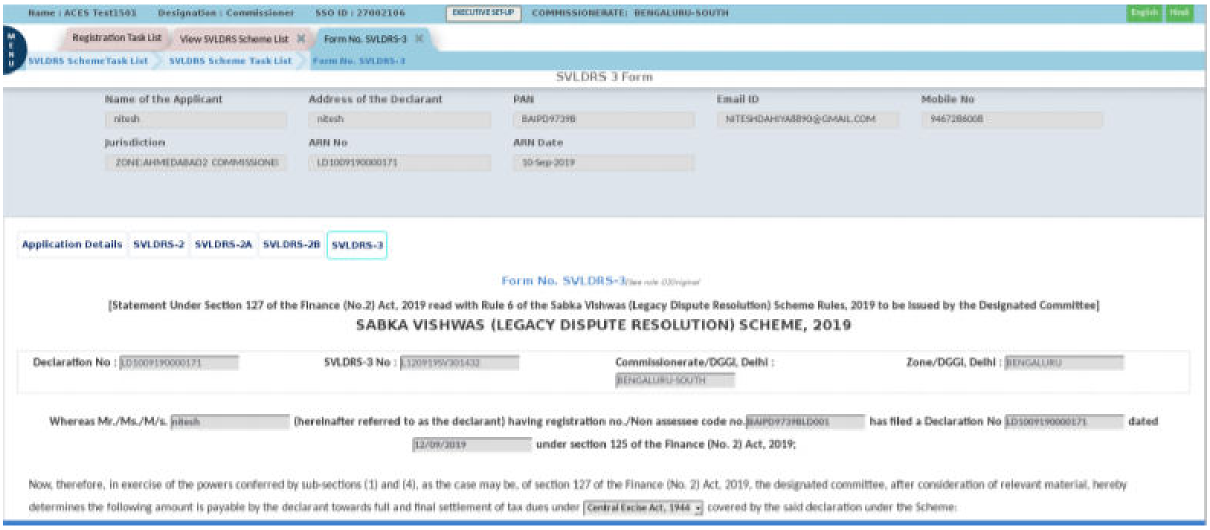
2. The taxpayer waive his PH or doesn't want adjournment of PH.

3. After the issuance of SVLDRS-2B.

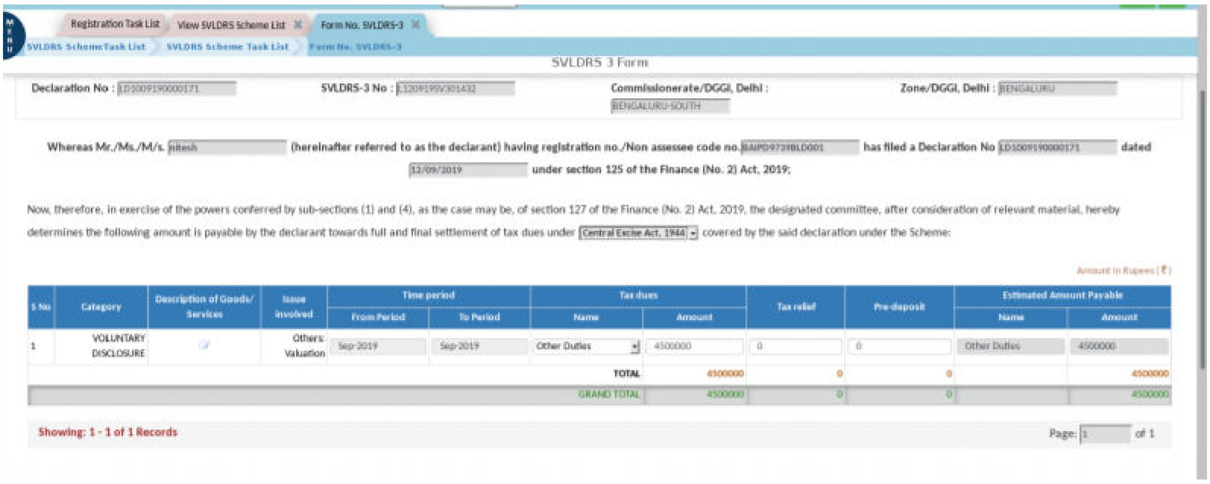
• **The tax officer can issue SVLDRS-3 Form from "Pending to issue SVLDRS2/3" or "Pending to issue SVLDRS-3" under Stage tab.**



• **The tax officer clicks on the Issue SVLDRS-3, the following screen will be shown to the tax officer:**

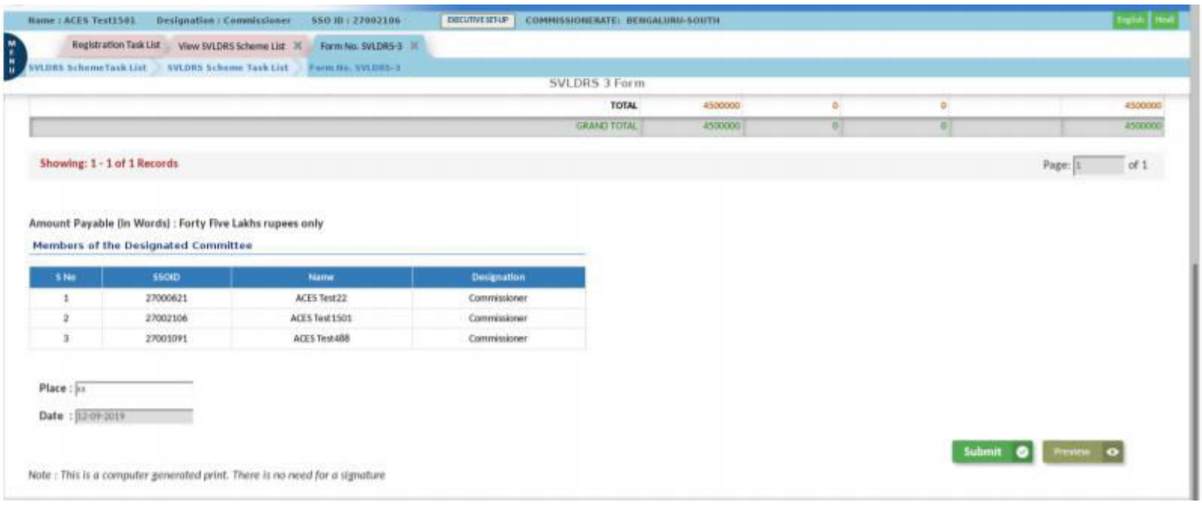


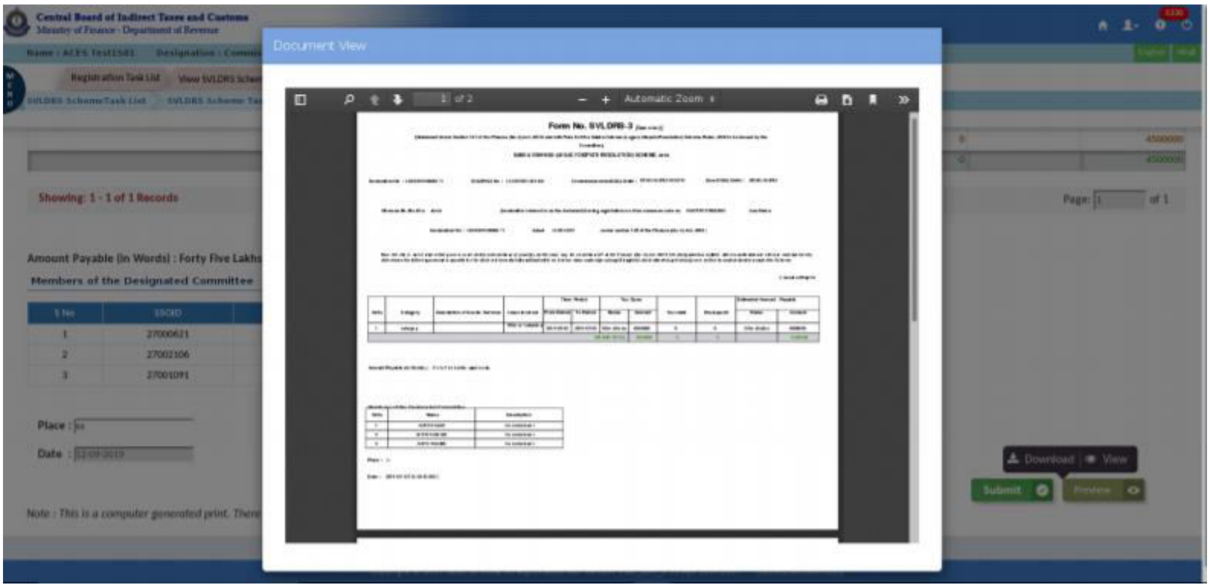
• **The tax officer can edit all fields except "Category" and "Issue Involved" columns values.**



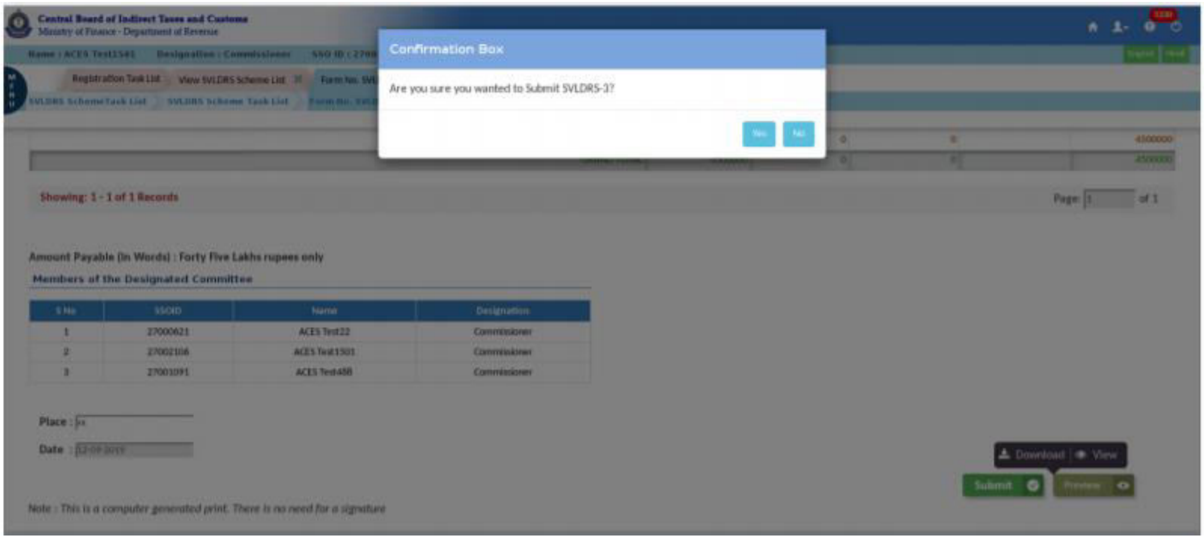
Caution: For the time being the tax officer are requested not to edit/change value of "Tax Relief" Column

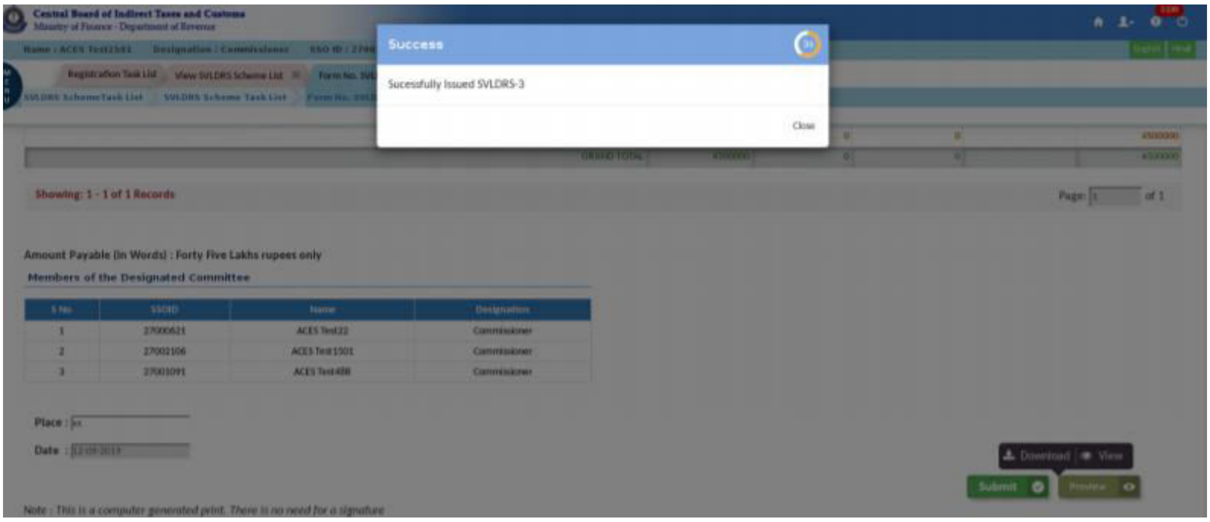
- **The tax officer can preview SVLDRS-3 form and can download the same in .pdf format.**

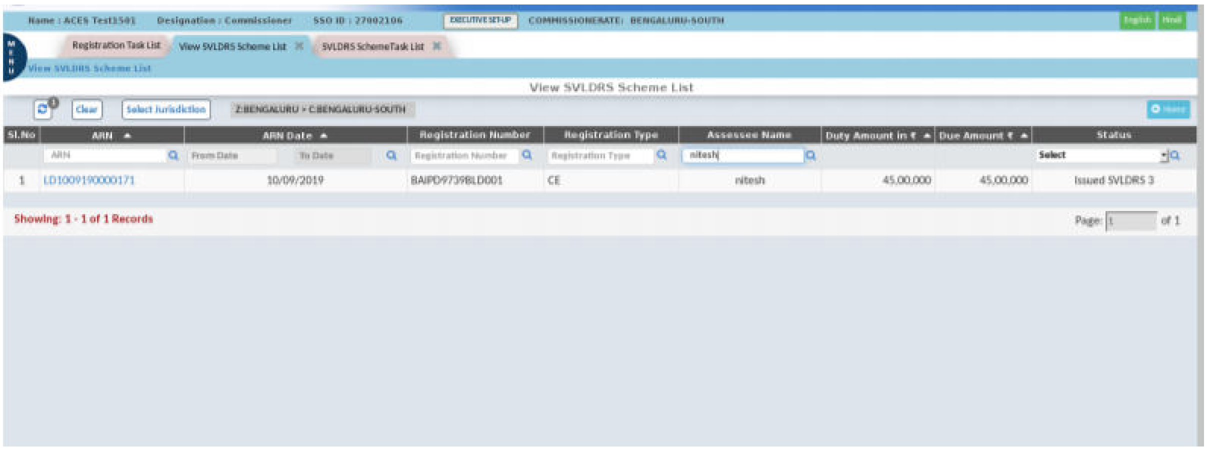




- **On click on the "submit" button, a confirmation box will appear if the tax officer confirms the same, then the SVLDRS-3 will be issued and the taxpayer will get notified about the same by SMS/Email.**

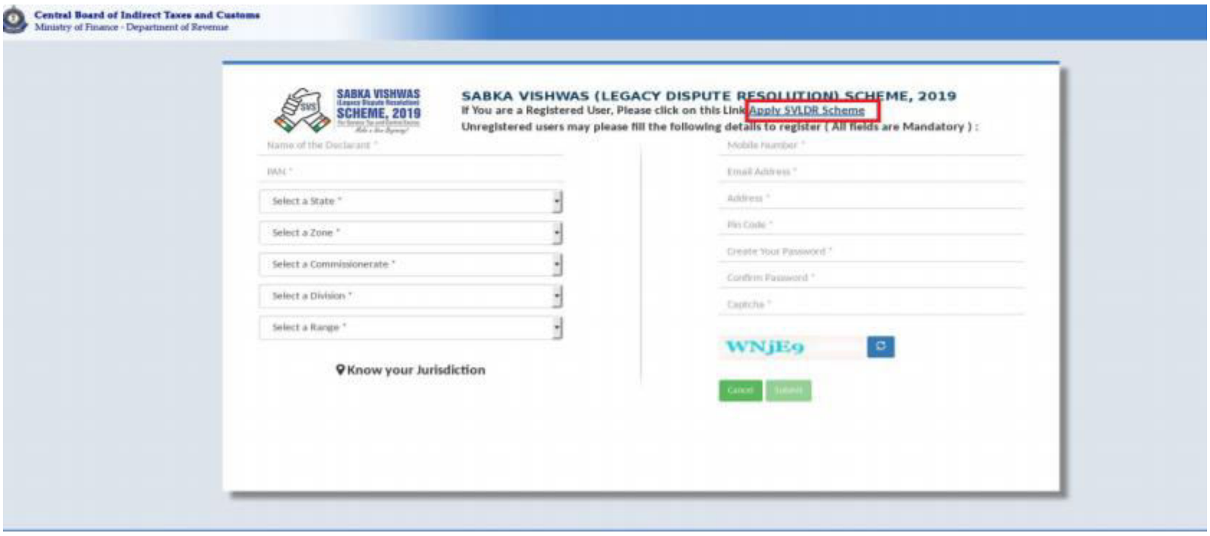

Confirmation Box
Are you sure you wanted to Submit SVLDRS-3?
Showing: 1 - 1 of 1 Records
Amount Payable (In Words) : Forty Five Lakhs rupees only
Members of the Designated Committee
Note : This is a computer generated print. There is no need for a signature

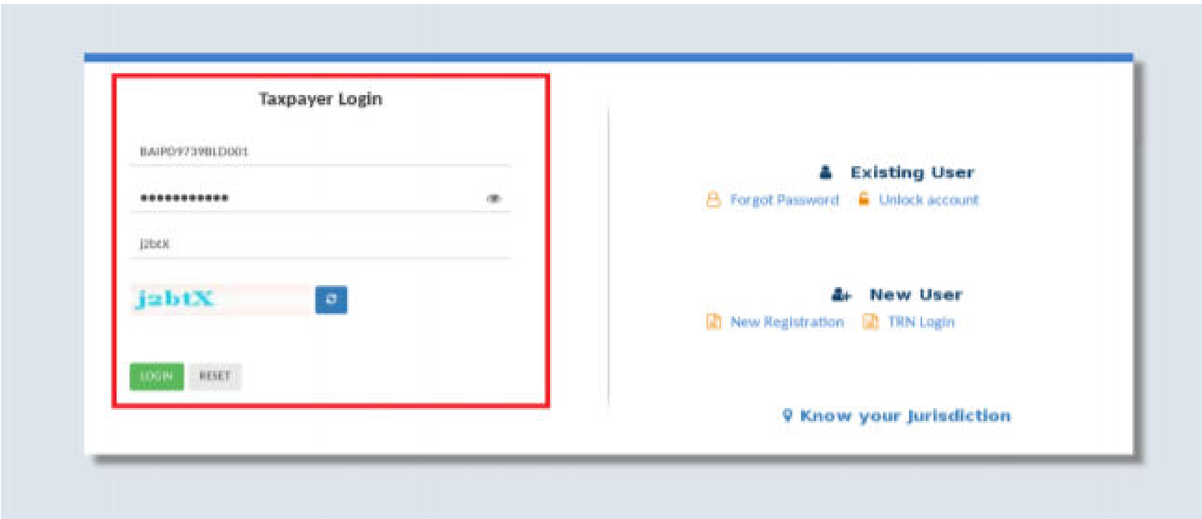

Success
Sucessfully Issued SVLDRS-3
Close
Showing: 1 - 1 of 1 Records
Amount Payable (In Words) : Forty Five Lakhs rupees only
Members of the Designated Committee
Note : This is a computer generated print. There is no need for a signature


View SVLDRS Scheme List
LD1009190000171
10/09/2019
BAIPD9739BLD001
nitesh
45,00,000
Issued SVLDRS 3
Showing: 1 - 1 of 1 Records

Similar to Government officers, taxpayer can also do few things with already submitted SVLDRS-1 or make reply to officers or can take any other action as under:

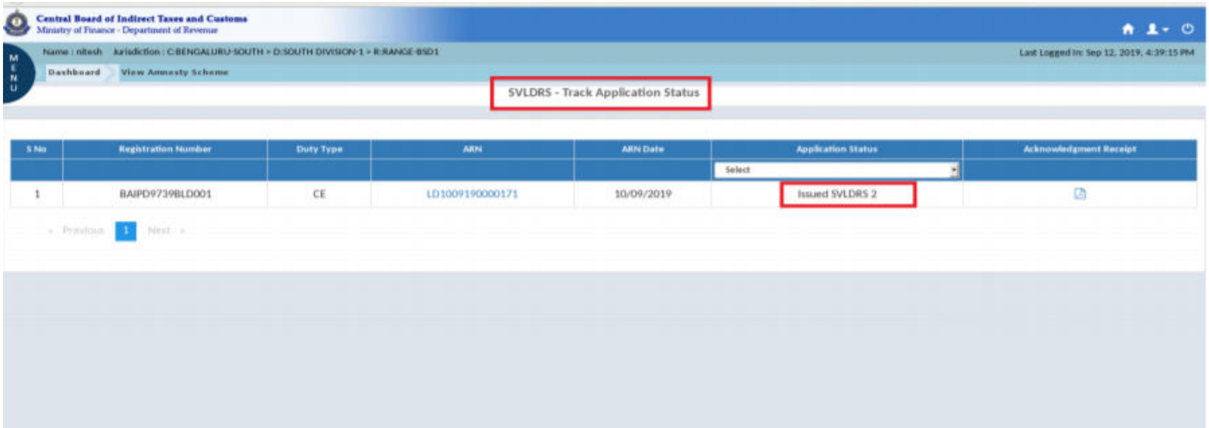
Step 1: The taxpayer clicks on the "Apply SVLDRS Scheme" & the taxpayer enters his Login ID and Password.

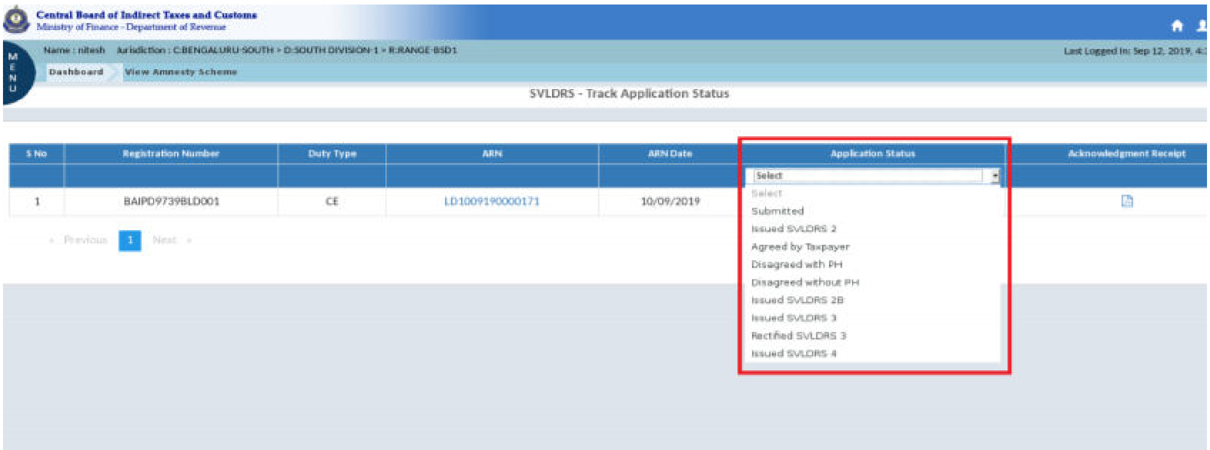




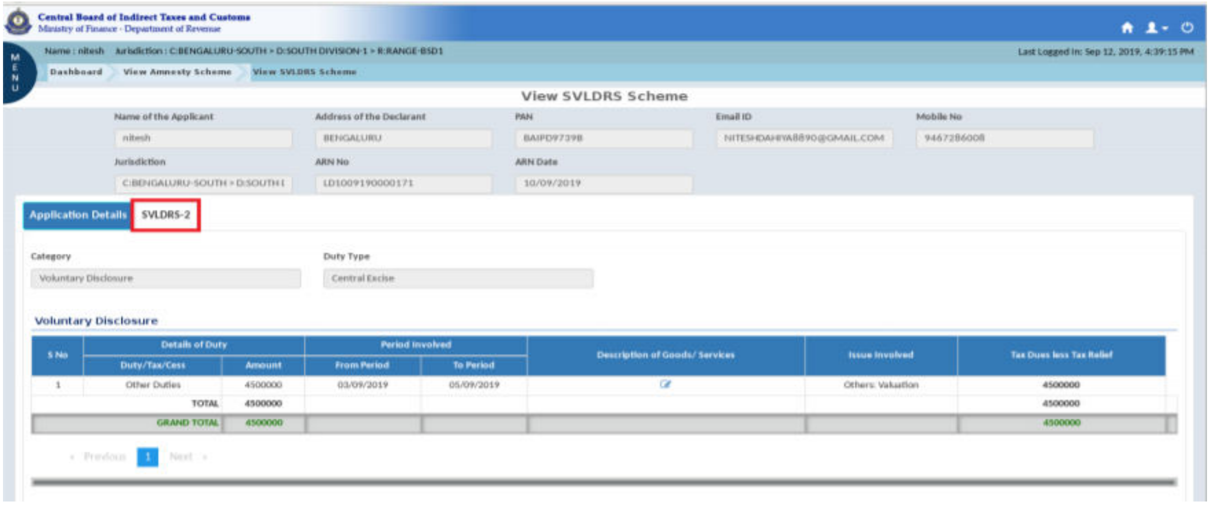
Step 2: The taxpayer clicks on the "View SVLDRS" from Menu >> SVLDRS >> View SVLDRS.

Step 3: The taxpayer will be shown the following "SVLDRS- Track application" screen. The Status of the application is under "Application Status" column and the taxpayer can filter the same as per his/her requirement.



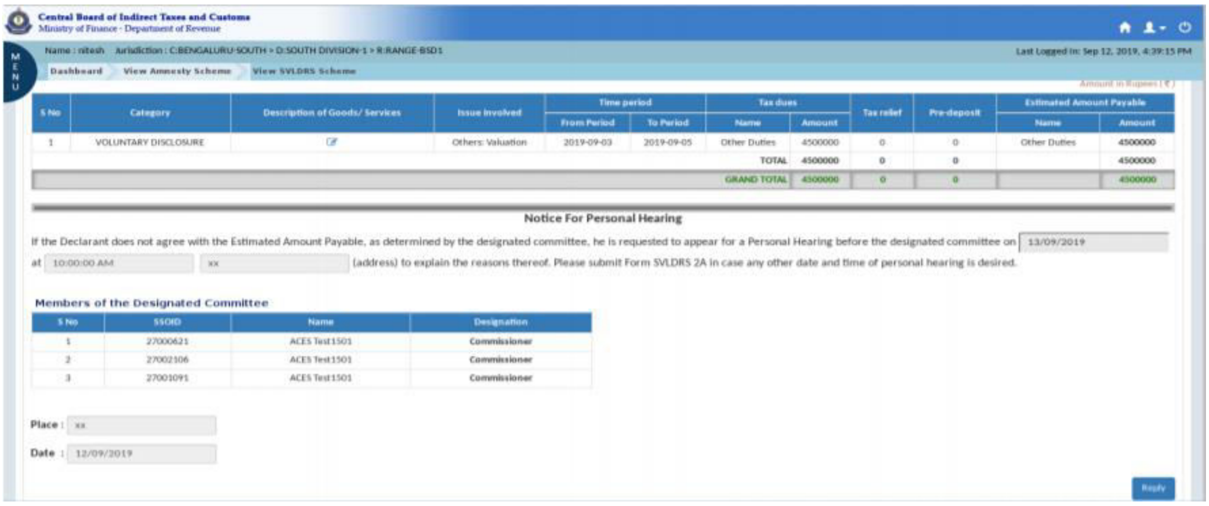


Step 4: If SVLDRS-2 form was issued to the taxpayer by the tax officer then, he/she will be able to see it.



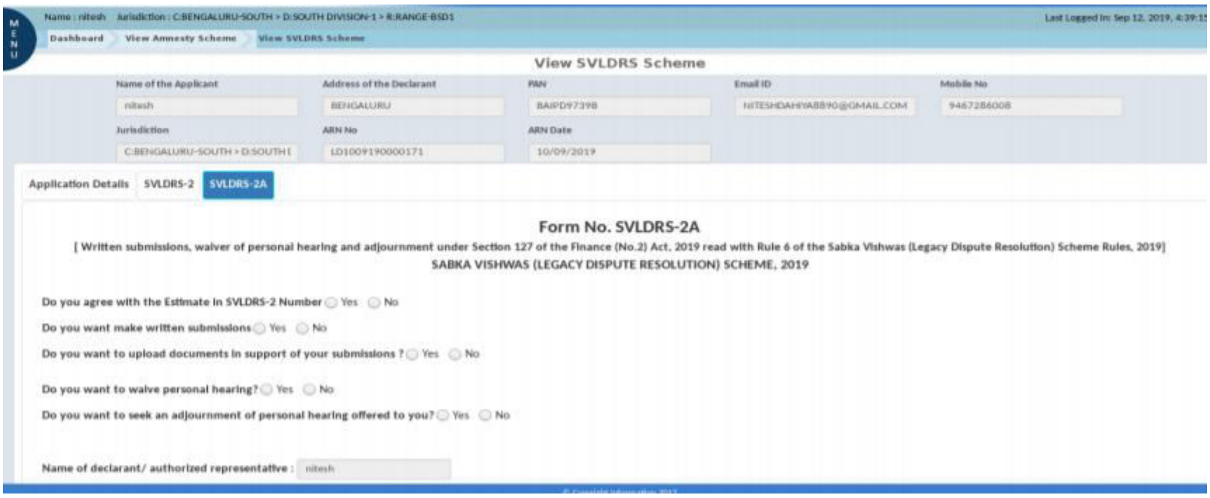
Step 5: The taxpayer will be able to see all the details as mentioned by the officer in SVLDRS-2 i.e. Duty Details, Description of goods/services columns etc. But the taxpayer won't be able to edit in the SVLDRS-2 form. If he /she doesn't agree or full agree with SVLDRS-2 Form, then on the bottom of the SVDRS-2 form "Reply" button is there.

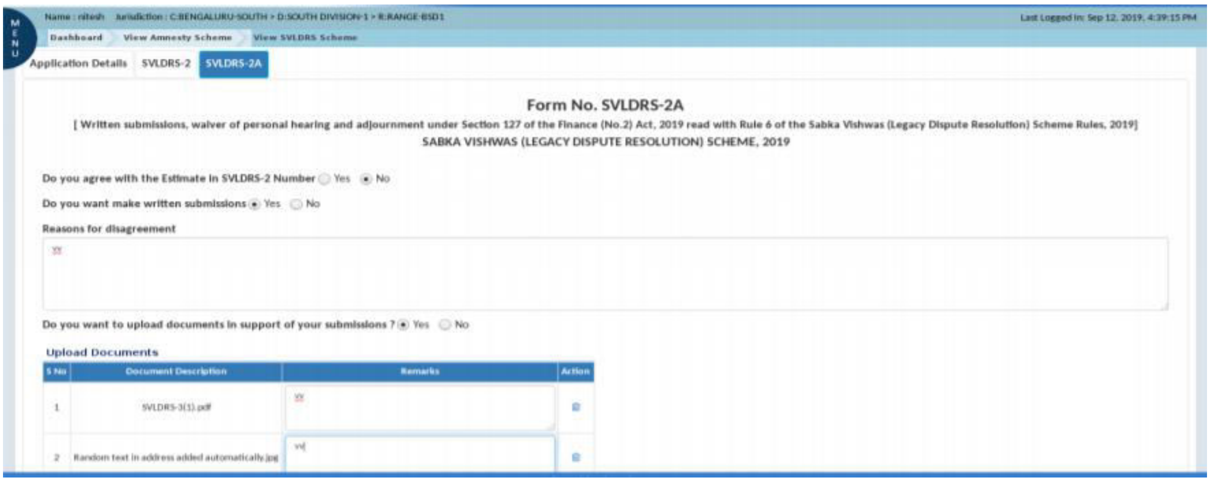
- **The taxpayer can click on "reply" button. The taxpayer will be able to see SVLDRS-2A form.**



Step 6: If the taxpayer clicks "Yes" in the "Do you agree with the Estimate in SVLDRS-2 Number" then the taxpayer is not required to fill any other detail & he/she can submit SVLDRS-2A form.

- **In case, the taxpayer doesn't agree with estimate of SVLDRS-2. Then the taxpayer can fill the form accordingly**

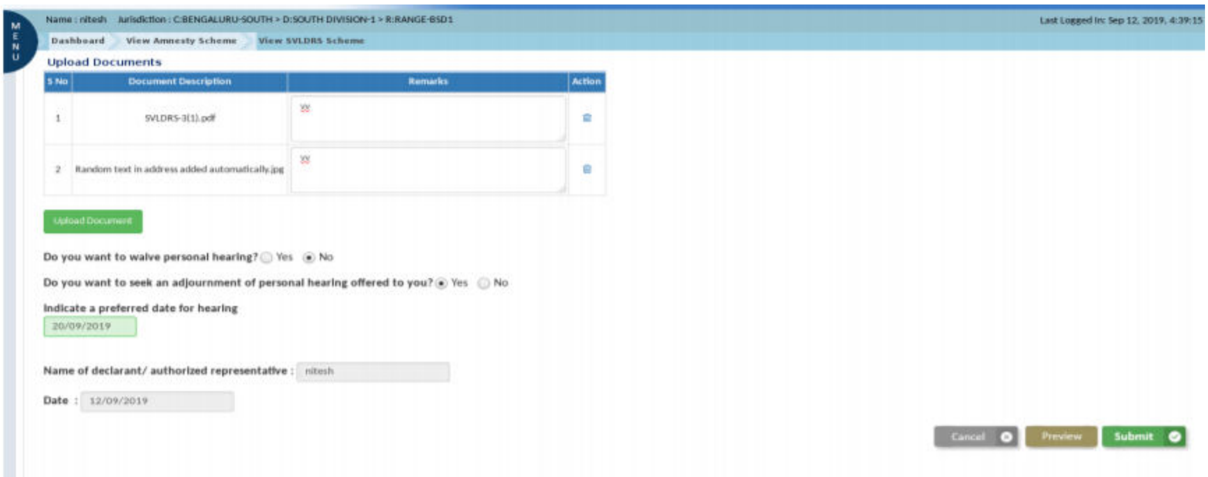




Caution: The Taxpayer can upload a maximum of 5 files with a size of Max. 2MB (Per file). The supported file formats are only ".jpeg" and ".pdf".

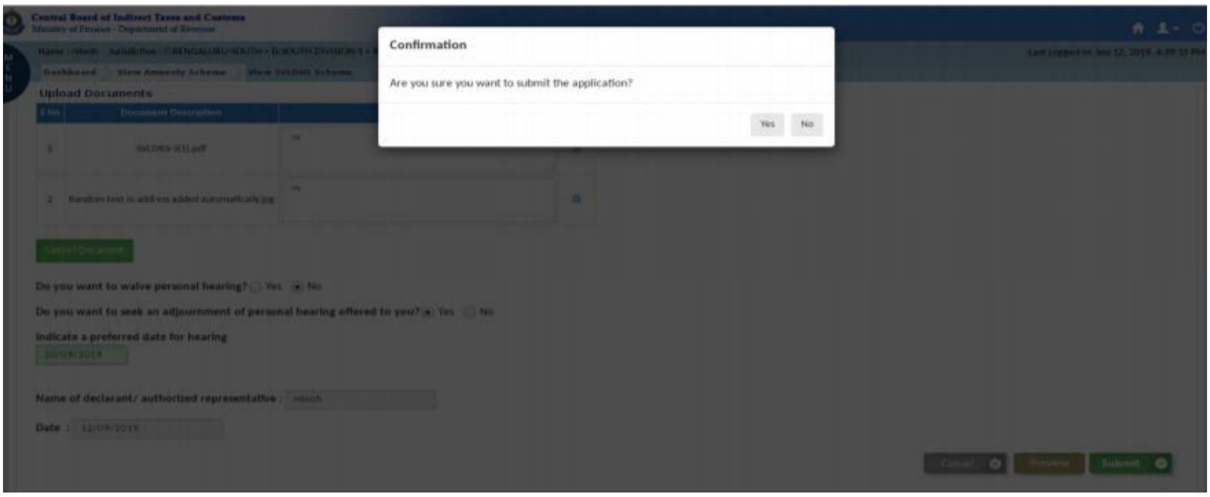
• In the field value "Do you want to waive personal hearing", if the taxpayer selects "Yes", then he/she won't be able to appear for any PH and an Alert message will be shown to the taxpayer.

• In the field value "Do you want to waive personal hearing" , if the taxpayer selects "No" ,then he/she will be shown an option "Do you want to seek an adjournment of personal hearing offered to you?" and preferred date for hearing in case he/she select "Yes".

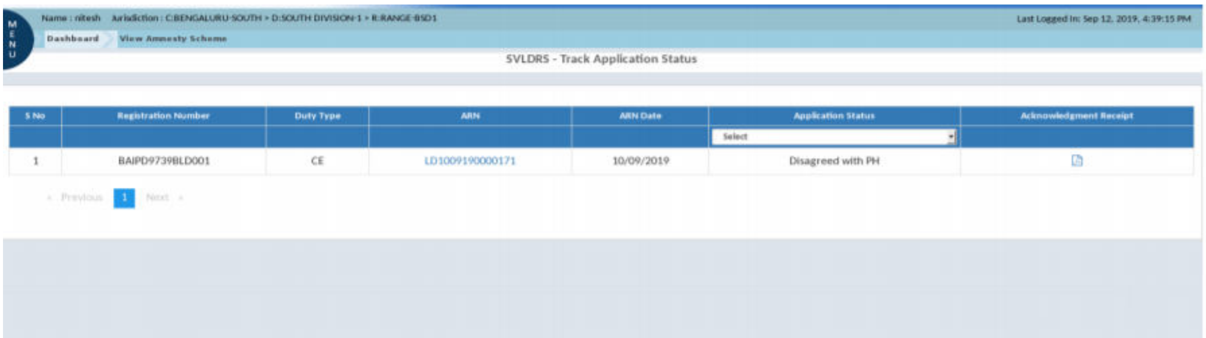


Step 7: The taxpayer can preview SVLDRS-2A Form and can download the same in .pdf format.

Step 8: On click on the "submit" button, a confirmation box will appear if the taxpayer confirms the same, then the SVLDRS-2A will be Submitted.

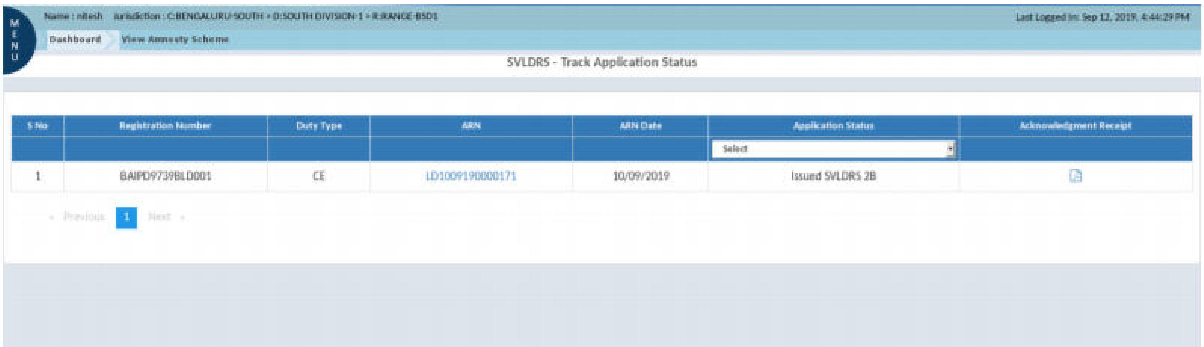


Step 9: The taxpayer can check the updated status of the application in the "SVLDRS –Track Application Status"

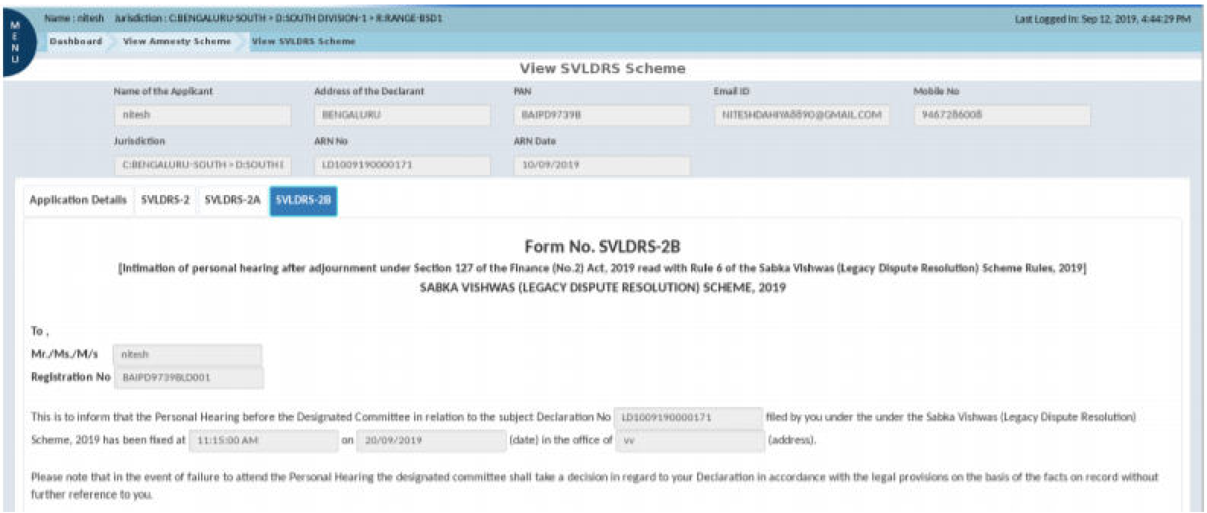


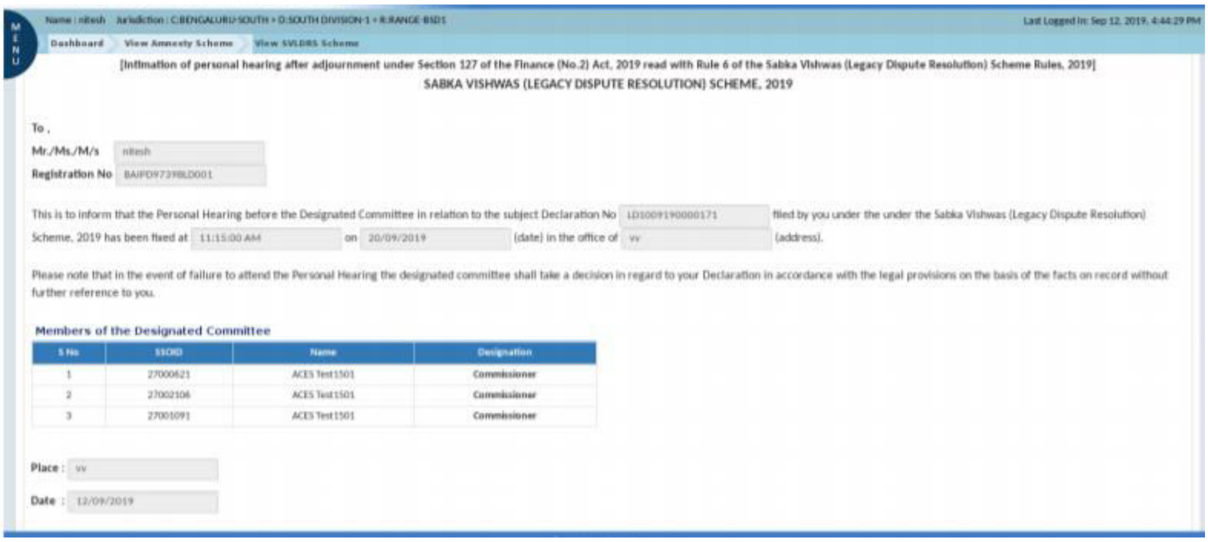
SVLDRS-2B

Form Step 1: The taxpayer will be shown the following "SVLDRS- Track application" screen. The Status of the application is under "Application Status" column and the taxpayer can filter with value "Issued SVLDRS 2B".



Step 2: The taxpayer can only view SVLDRS-2B and will be able to see Adjournment PH details.





MENU

Name : nitesh Jurisdiction : C:BENGALURU-SOUTH > D:SOUTH DIVISION-1 > R:RANGE-BSD1 Last Logged In: Sep 12, 2019, 4:44:29 PM

Dashboard | View Amnesty Scheme | View SVLDRS Scheme

[Intimation of personal hearing after adjournment under Section 127 of the Finance (No.2) Act, 2019 read with Rule 6 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019]

SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

To ,

Mr./Ms./M/s nitesh

Registration No BAIPD9739BLD001

This is to inform that the Personal Hearing before the Designated Committee in relation to the subject Declaration No LD1009190000171 filed by you under the under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 has been fixed at 11:15:00 AM on 20/09/2019 (date) in the office of vv (address).

Please note that in the event of failure to attend the Personal Hearing the designated committee shall take a decision in regard to your Declaration in accordance with the legal provisions on the basis of the facts on record without further reference to you.

Members of the Designated Committee

S No	SSOID	Name	Designation
1	27000621	ACES Test1501	Commissioner
2	27002106	ACES Test1501	Commissioner
3	27001091	ACES Test1501	Commissioner

Place : vv

Date : 12/09/2019

SVLDRS-3 Form

Step 1: The taxpayer will be shown the following "SVLDRS- Track application" screen. The Status of the application is under "Application Status" column and the taxpayer can filter with value "Issued SVLDRS 3".

MENU

Name : nitesh Jurisdiction : C:BENGALURU-SOUTH > D:SOUTH DIVISION-1 > R:RANGE-BSD1 Last Logged In: Sep 12, 2019, 4:44:29 PM

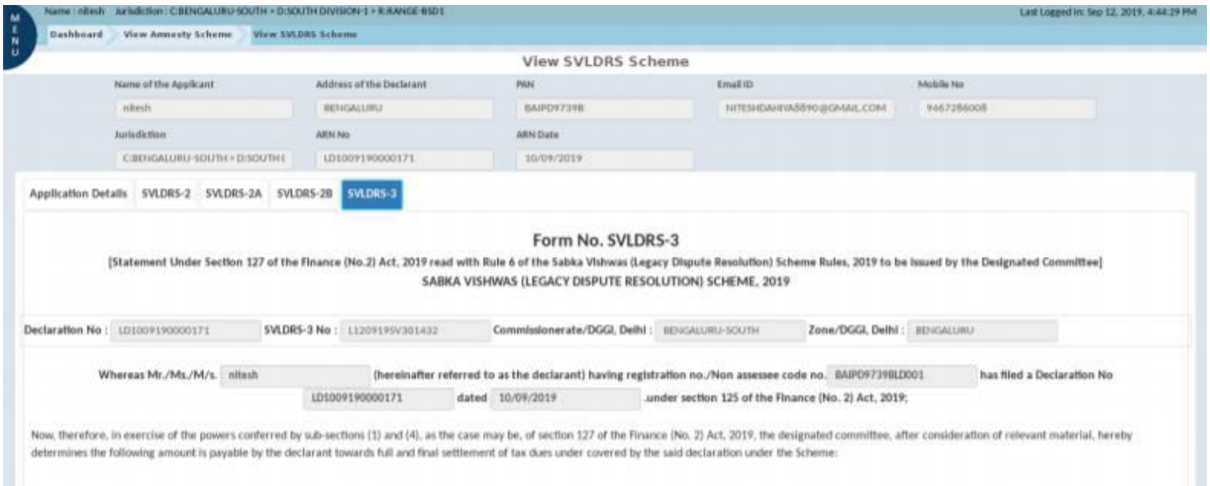
Dashboard | View Amnesty Scheme

SVLDRS - Track Application Status

S No	Registration Number	Duty Type	ARN	ARN Date	Application Status	Acknowledgment Receipt
					Select	
1	BAIPD9739BLD001	CE	LD1009190000171	10/09/2019	Issued SVLDRS 3	

« Previous 1 Next »

Step 2: By clicking on the ARN, the taxpayer will be able to see SVLDRS-3 Form issued by the tax officers.



MENU

Name : nitesh Jurisdiction : C:BENGALURU-SOUTH > D:SOUTH DIVISION-1 > R:RANGE-BSD1 Last Logged In: Sep 12, 2019, 4:44:29 PM

Dashboard | View Amnesty Scheme | View SVLDRS Scheme

View SVLDRS Scheme

Name of the Applicant	Address of the Declarant	PAN	Email ID	Mobile No
nitesh	BENGALURU	BAIPD9739B	NITESHDAHIYA5890@GMAIL.COM	9467286008

Jurisdiction	ARN No	ARN Date
C:BENGALURU-SOUTH > D:SOUTH I	LD1009190000171	10/09/2019

Application Details | SVLDRS-2 | SVLDRS-2A | SVLDRS-2B | SVLDRS-3

Form No. SVLDRS-3

[Statement Under Section 127 of the Finance (No.2) Act, 2019 read with Rule 6 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 to be issued by the Designated Committee]

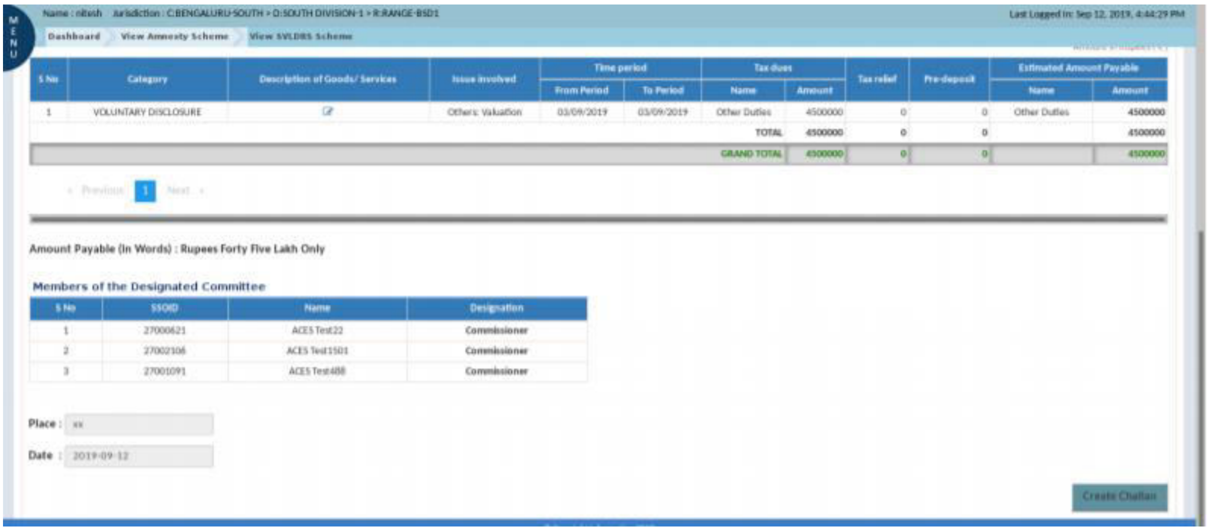
SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

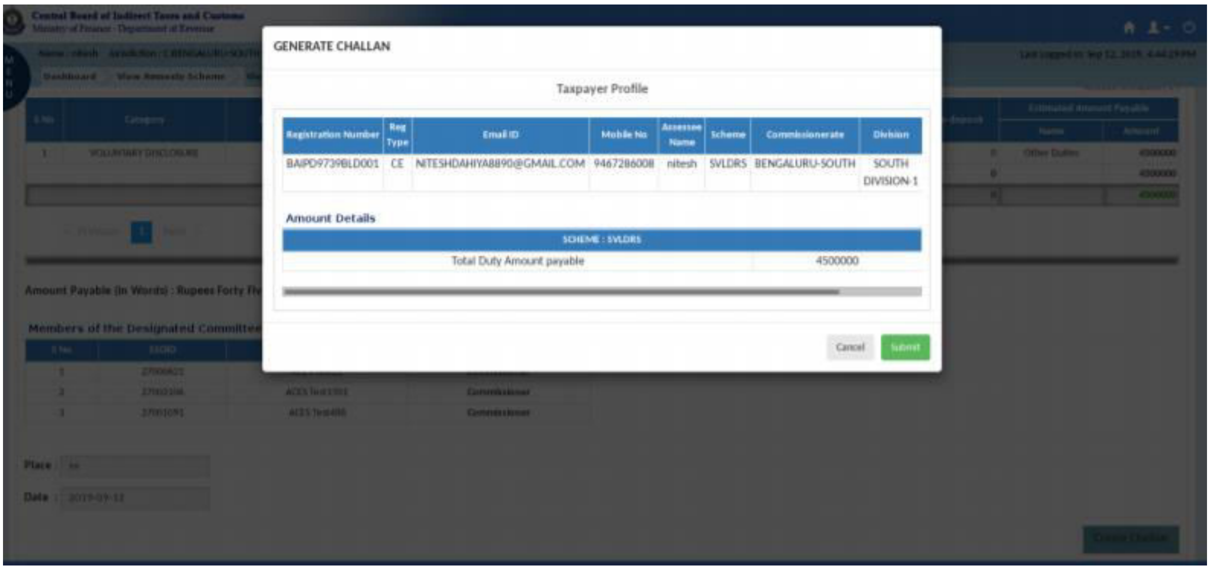
Declaration No : LD1009190000171 SVLDRS-3 No : L1209195V301432 Commissionerate/DGGI, Delhi : BENGALURU-SOUTH Zone/DGGI, Delhi : BENGALURU

Whereas Mr./Ms./M/s. nitesh (hereinafter referred to as the declarant) having registration no./Non assessee code no. BAIPD9739BLD001 has filed a Declaration No LD1009190000171 dated 10/09/2019 under section 125 of the Finance (No. 2) Act, 2019;

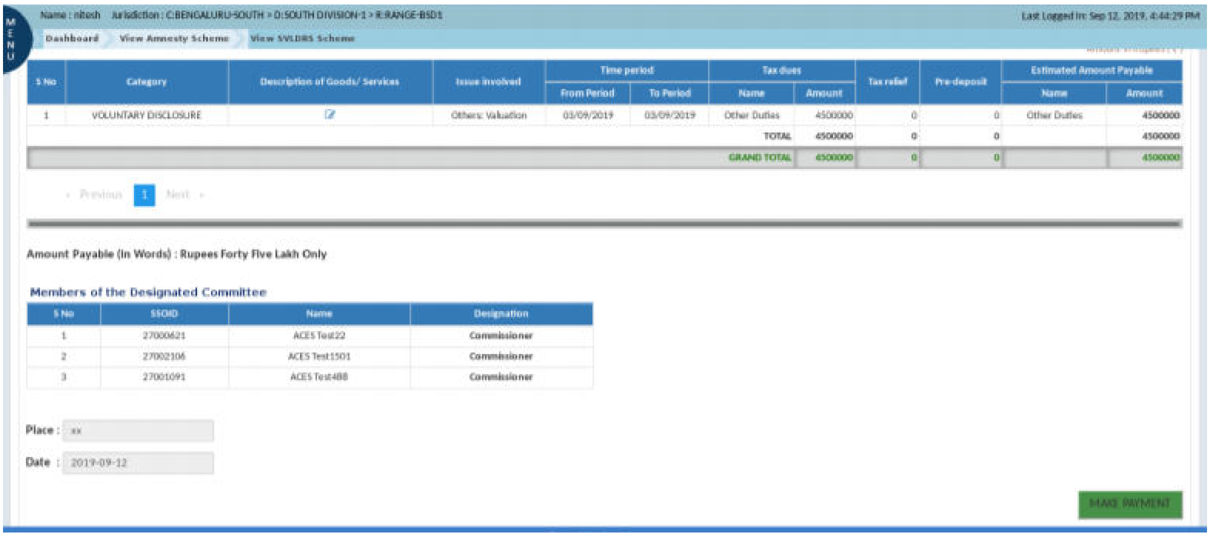
Now, therefore, in exercise of the powers conferred by sub-sections (1) and (4), as the case may be, of section 127 of the Finance (No. 2) Act, 2019, the designated committee, after consideration of relevant material, hereby determines the following amount is payable by the declarant towards full and final settlement of tax dues under covered by the said declaration under the Scheme:

Step 3: If the taxpayer agrees with the SVLDRS-3 Form details then he clicks on "Create Challan" button and challan for duty details as mentioned in SVLDRS-3 will be created for the taxpayer.





Step 4: After the challan generation a new button will appear in the VSLDRS-3 Form "Make Payment". When the taxpayer clicks on "Make Payment" then he/she will be able to make payment via ICEGATE payment gateway through NEFT/RTGS options.



MENU

Name : nitesh Jurisdiction : C:BENGALURU-SOUTH > D:SOUTH DIVISION-1 > R:RANGE-BSD1 Last Logged In: Sep 12, 2019, 4:44:29 PM

Dashboard | View Amnesty Scheme | View SVLDRS Scheme

S No	Category	Description of Goods/ Services	Issue involved	Time period		Tax dues		Tax relief	Pre-deposit	Estimated Amount Payable	
				From Period	To Period	Name	Amount			Name	Amount
1	VOLUNTARY DISCLOSURE		Others: Valuation	03/09/2019	03/09/2019	Other Duties	4500000	0	0	Other Duties	4500000
						TOTAL	4500000	0	0		4500000
						GRAND TOTAL	4500000	0	0		4500000

« Previous 1 Next »

Amount Payable (In Words) : Rupees Forty Five Lakh Only

Members of the Designated Committee

S No	SSOID	Name	Designation
1	27000621	ACES Test22	Commissioner
2	27002106	ACES Test1501	Commissioner
3	27001091	ACES Test488	Commissioner

Place : xx

Date : 2019-09-12

MAKE PAYMENT

Chapter 8

Effect of Discharge Certificate & withdrawal of pending cases

8.1 Effect of Discharge Certificate:

- Discharge Certificate issued w.r.t to the amount payable under the Scheme shall be **conclusive** as to the matter and time period stated thereon; and
  - ✓ Declarant shall not be liable to pay any further duty, interest and penalty w.r.t matter and time period covered in the declaration;
  - ✓ Declarant shall not be liable to be prosecuted under the indirect tax enactment w.r.t matter and time period covered in the declaration;
  - ✓ Matter and time period covered by declaration shall not be reopened in any other proceeding under the indirect tax enactment.
- Issuance of Discharge Certificate **shall not preclude** issuance of SCN:
  - ✓ for the same matter for subsequent period;
  - ✓ for a different matter for same period.
- No person being a party in appeal, application, revision or reference shall contend that by issuing a Discharge Certificate, Department has accepted the disputed position.

> It is clarified vide **Para 10(a) of *Circular No. 1071/4/2019 – CX. 8 dated August 27, 2019*** a declaration under this Scheme will not be a basis for assuming that the declarant has admitted the position, and no fresh show cause notice will be issued merely on that basis.

- In case of **voluntary disclosure information furnished is found to be false** within a period of one year of issue of the discharge certificate → It shall be presumed as if the declaration was never made and proceedings under the applicable indirect tax enactment shall be instituted.

8.2 Withdrawal of pending appeal/ reference/ reply to SCN

Case pending before appellate forum	Cases pending before High Court or Supreme Court

Tele: +91-11-42427056; email: info@a2ztaxcorp.com; www.a2ztaxcorp.com

Any appeal or reference or reply to SCN filed before the appellate forum (other than the SC/HC) shall be deemed to have been withdrawn.	In case of the SC/HC, declarant shall file an application to the SC/HC for withdrawal. After withdrawal of such writ petition, appeal or reference with the leave of the Court, the declarant shall furnish proof of such withdrawal along with proof of payment to the designated committee for issuance of Discharge certificate in SVLDRS 4

Deemed withdrawal of departmental appeal:

Section 124(1)(a) outlines the relief available in the case of one or more appeals arising out of a Show Cause Notice. Such an appeal may have been filed either by the party or by the department. Further, Section 127(6) provides for deemed withdrawal of such appeals filed by a declarant pending at a forum other than the Supreme Court or High Court.

In the latest ***Circular No. 1072/05/2019-CX dated September 25, 2019*** [Para 2(v)], the CBIC has clarified as under:

- Such deemed withdrawal will also be applicable for departmental appeals.
- Where a departmental appeal, reference or writ petition is pending before the **Supreme Court or High Court**, the department will file an application for withdrawal of such appeal, reference or writ petition after issuance of the discharge certificate.
- Similarly, if **prosecution has already been launched**, the procedure as laid down in *Circular No. 1009/16/2015-CX dated October 23, 2015* should be followed for withdrawal of prosecution after issuance of discharge certificate.

Chapter 9

Finance Act (No.2) Act 2019

CHAPTER V

SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

Short title and commencement.

120. (1) This Scheme shall be called the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (hereafter in this Chapter referred to as the "Scheme").

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

121. In this Scheme, unless the context otherwise requires,-

(a) "amount declared" means the amount declared by the declarant under section 125;
(b) "amount estimated" means the amount estimated by the designated committee under section 127;
(c) "amount in arrears" means the amount of duty which is recoverable as arrears of duty under the indirect tax enactment, on account of-

(i) no appeal having been filed by the declarant against an order or an order in appeal before expiry of the period of time for filing appeal; or
(ii) an order in appeal relating to the declarant attaining finality; or
(iii) the declarant having filed a return under the indirect tax enactment on or before the 30th day of June, 2019, wherein he has admitted a tax liability but not paid it;

(d) "amount of duty" means the amount of central excise duty, the service tax and the cess payable under the indirect tax enactment;
(e) "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, in order to be eligible for the benefits under this Scheme and shall be calculated as the amount of tax dues less the tax relief;
(f) "appellate forum" means the Supreme Court or the High Court or the Customs, Excise and Service Tax Appellate Tribunal or the Commissioner (Appeals);

(g) “audit” means any scrutiny, verification and checks carried out under the indirect tax enactment, other than an enquiry or investigation, and will commence when a written intimation from the central excise officer regarding conducting of audit is received;
(h) “declarant” means a person who is eligible to make a declaration and files such declaration under section 125;
(i) “declaration” means the declaration filed under section 125;
(j) “departmental appeal” means the appeal filed by a central excise officer authorised to do so under the indirect tax enactment, before the appellate forum;
(k) “designated committee” means the committee referred to in section 126;
(l) “discharge certificate” means the certificate issued by the designated committee under section 127;
(m) ‘‘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) requiring the production of accounts, documents or other evidence;
(iv) recording of statements;

(n) “indirect tax enactment” means the enactments specified in section 122;
(o) “order” means an order of determination under any of the indirect tax enactment, passed in relation to a show cause notice issued under such indirect tax enactment;
(p) “order in appeal” means an order passed by an appellate forum with respect to an appeal filed before it;
(q) “person” includes-

(i) an individual;
(ii) a Hindu undivided family;
(iii) a company;
(iv) a society;
(v) a limited liability partnership;
(vi) a firm;
(vii) an association of persons or body of individuals, whether incorporated or not;
(viii) the Government;
(ix) a local authority;
(x) an assessee as defined in rule 2 of the Central Excise Rules, 2002;
(xi) every artificial juridical person, not falling within any of the preceding clauses.

(r) ‘‘quantified”, with its cognate expression, means a written communication of the amount of duty payable under the indirect tax enactment;
(s) “statement” means the statement issued by the designated committee under section 127;
(t) “tax relief” means the amount of relief granted under section 124;
(u) all other words and expressions used in this Scheme, but not defined, shall have the same meaning as assigned to them in the indirect tax enactment and in case of any conflict between two or more such meanings in any indirect tax enactment, the meaning which is more congruent with the provisions of this Scheme shall be adopted.

Application of Scheme to indirect tax enactments.

122. This Scheme shall be applicable to the following enactments, namely:-

(a) the Central Excise Act, 1944 (1 of 1944.) or the Central Excise Tariff Act, 1985 (5 of 1986) or Chapter V of the Finance Act, 1994 (32 of 1994.) and the rules made thereunder;
(b) the following Acts, namely:-

(i) the Agricultural Produce Cess Act,1940 (27 of 1940);
(ii) the Coffee Act, 1942 (7 of 1942.);
(iii) the Mica Mines Labour Welfare Fund Act, 1946 (22 of 1946.);
(iv) the Rubber Act, 1947 (24 of 1947);
(v) the Salt Cess Act, 1953 (49 of 1953.);
(vi) the Medicinal and Toilet Preparations (Excise Duties) Act, 1955 (16 of 1955.);
(vii) the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957.);
(viii) the Mineral Products (Additional Duties of Excise and Customs) Act, 1958 (57 of 1958.);
(ix) the Sugar (Special Excise Duty) Act, 1959 (58 of 1959.);
(x) the Textiles Committee Act, 1963 (41 of 1963.);
(xi) the Produce Cess Act, 1966 (15 of 1966.);
(xii) the Limestone and Dolomite Mines Labour Welfare Fund Act, 1972 (62 of 1972.);
(xiii) the Coal Mines (Conservation and Development) Act, 1974 (28 of 1974.);
(xiv) the Oil Industry (Development) Act, 1974 (47 of 1974.);
(xv) the Tobacco Cess Act, 1975 (26 of 1975.);
(xvi) the Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976 (55 of 1976.);
(xvii) the Bidi Workers Welfare Cess Act, 1976 (56 of 1976.);

(xviii) the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978.);
(xix) the Sugar Cess Act, 1982 (3 of 1982.);
(xx) the Jute Manufacturers Cess Act, 1983 (28 of 1983.);
(xxi) the Agricultural and Processed Food Products Export Cess Act, 1985 (2 of 1986.);
(xxii) the Spices Cess Act, 1986 (11 of 1986.);
(xxiii) the Finance Act, 2004 (22 of 2004.);
(xxiv) the Finance Act, 2007 (17 of 2007.);
(xxv) the Finance Act, 2015 (20 of 2015.);
(xxvi) the Finance Act, 2016 (28 of 2016);

(c) any other Act, as the Central Government may, by notification in the Official Gazette, specify.

Tax dues.

123. For the purposes of the Scheme, "tax dues" means-

(a) where-

(i) a single appeal arising out of an order is pending as on the 30th day of June, 2019 before the appellate forum, the total amount of duty which is being disputed in the said appeal;

(ii) more than one appeal arising out of an order, one by the declarant and the other being a departmental appeal, which are pending as on the 30th day of June, 2019 before the appellate forum, the sum of the amount of duty which is being disputed by the declarant in his appeal and the amount of duty being disputed in the departmental appeal:

Provided that nothing contained in the above clauses shall be applicable where such an appeal has been heard finally on or before the 30th day of June, 2019.

Illustration 1: The show cause notice to a declarant was for an amount of duty of ₹ 1000 and an amount of penalty of ₹ 100. The order was for an amount of duty of ₹ 1000 and amount of penalty of ₹ 100. The declarant files an appeal against this order. The amount of duty which is being disputed is ₹ 1000 and hence the tax dues are ₹ 1000.

Illustration 2: The show cause notice to a declarant was for an amount of duty of ₹ 1000 and an amount of penalty of ₹ 100. The order was for an amount of duty of ₹

900 and penalty of ₹ 90. The declarant files an appeal against this order. The amount of duty which is being disputed is ₹ 900 and hence tax dues are ₹ 900.

Illustration 3: The show cause notice to a declarant was for an amount of duty of ₹ 1000 and an amount of penalty of ₹ 100. The order was for an amount of duty of ₹ 900 and penalty of ₹ 90. The declarant files an appeal against this order of determination. The departmental appeal is for an amount of duty of ₹ 100 and penalty of ₹ 10. The amount of duty which is being disputed is ₹ 900 plus ₹ 100 i.e ₹ 1000 and hence tax dues are ₹ 1000.

Illustration 4: The show cause notice to a declarant was for an amount of duty of ₹ 1000. The order was for an amount of duty of ₹ 1000. The declarant files an appeal against this order of determination. The first appellate authority reduced the amount of duty to ₹ 900. The declarant files a second appeal. The amount of duty which is being disputed is ₹ 900 and hence tax dues are ₹ 900;

(b) where a show cause notice under any of the indirect tax enactment has been received by the declarant on or before the 30th day of June, 2019, then, the amount of duty stated to be payable by the declarant in the said notice:

Provided that if the said notice has been issued to the declarant and other persons making them jointly and severally liable for an amount, then, the amount indicated in the said notice as jointly and severally payable shall be taken to be the amount of duty payable by the declarant;

(c) where an enquiry or investigation or audit is pending against the declarant, the amount of duty payable under any of the indirect tax enactment which has been quantified on or before the 30th day of June, 2019;

(d) where the amount has been voluntarily disclosed by the declarant, then, the total amount of duty stated in the declaration;

(e) where an amount in arrears relating to the declarant is due, the amount in arrears.

Relief available under Scheme.

124. (1) Subject to the conditions specified in sub-section (2), the relief available to a declarant under this Scheme shall be calculated as follows:-

(a) where the tax dues are relatable to a show cause notice or one or more appeals arising out of such notice which is pending as on the 30th day of June, 2019, and if the amount of duty is,-

(i) rupees fifty lakhs or less, then, seventy per cent. of the tax dues;

(ii) more than rupees fifty lakhs, then, fifty per cent. of the tax dues;

(b) where the tax dues are relatable to a show cause notice for late fee or penalty only, and the amount of duty in the said notice has been paid or is nil, then, the entire amount of late fee or penalty;

(c) where the tax dues are relatable to an amount in arrears and,-

(i) the amount of duty is, rupees fifty lakhs or less, then, sixty per cent. of the tax dues;
(ii) the amount of duty is more than rupees fifty lakhs, then, forty per cent. of the tax dues;
(iii) in a return under the indirect tax enactment, wherein the declarant has indicated an amount of duty as payable but not paid it and the duty amount indicated is,-

(A) rupees fifty lakhs or less, then, sixty per cent. of the tax dues;
(B) amount indicated is more than rupees fifty lakhs, then, forty per cent. of the tax dues;

(d) where the tax dues are linked to an enquiry, investigation or audit against the declarant and the amount quantified on or before the 30th day of June, 2019 is-

(i) rupees fifty lakhs or less, then, seventy per cent. of the tax dues;
(ii) more than rupees fifty lakhs, then, fifty per cent. of the tax dues;

(e) where the tax dues are payable on account of a voluntary disclosure by the declarant, then, no relief shall be available with respect to tax dues.

(2) The relief calculated under sub-section (1) shall be subject to the condition that any amount paid as pre-deposit at any stage of appellate proceedings under the indirect tax enactment or as deposit during enquiry, investigation or audit, 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 by the declarant exceeds the amount payable by the declarant, as indicated in the statement issued by the designated committee, the declarant shall not be entitled to any refund.

Declaration under Scheme.

125. (1) All persons shall be eligible to make a declaration under this Scheme except the following, namely:-

(a) who have filed an appeal before the appellate forum and such appeal has been heard finally on or before the 30th day of June, 2019;

(b) who have been convicted for any offence punishable under any provision of the indirect tax enactment for the matter for which he intends to file a declaration;

(c) who have been issued a show cause notice, under indirect tax enactment and the final hearing has taken place on or before the 30th day of June, 2019;

(d) who have been issued a show cause notice under indirect tax enactment for an erroneous refund or refund;

(e) who have been subjected to an enquiry or investigation or audit and the amount of duty involved in the said enquiry or investigation or audit has not been quantified on or before the 30th day of June, 2019;

(f) a person making a voluntary disclosure,-

(i) after being subjected to any enquiry or investigation or audit; or
(ii) having filed a return under the indirect tax enactment, wherein he has indicated an amount of duty as payable, but has not paid it;

(g) who have filed an application in the Settlement Commission for settlement of a case;

(h) persons seeking to make declarations with respect to excisable goods set forth in the Fourth Schedule to the Central Excise Act, 1944 (1 of 1944.);

(2) A declaration under sub-section (1) shall be made in such electronic form as may be prescribed.

Verification of declaration by designated committee.

126. (1) The designated committee shall verify the correctness of the declaration made by the declarant under section 125 in such manner as may be prescribed:

Provided that no such verification shall be made in case where a voluntary disclosure of an amount of duty has been made by the declarant.

(2) The composition and functioning of the designated committee shall be such as may be prescribed.

Issue of statement by designated committee.

127. (1) Where the amount estimated to be payable by the declarant, as estimated by the designated committee, equals the amount declared by the declarant, then, the designated committee shall issue in electronic form, a statement, indicating the amount payable by the declarant, within a period of sixty days from the date of receipt of the said declaration.

(2) Where the amount estimated to be payable by the declarant, as estimated by the designated committee, exceeds the amount declared by the declarant, then, the designated committee shall issue in electronic form, an estimate of the amount payable by the declarant within thirty days of the date of receipt of the declaration.

(3) After the issue of the estimate under sub-section (2), the designated committee shall give an opportunity of being heard to the declarant, if he so desires, before issuing the statement indicating the amount payable by the declarant:

Provided that on sufficient cause being shown by the declarant, only one adjournment may be granted by the designated committee.

(4) After hearing the declarant, a statement in electronic form indicating the amount payable by the declarant, shall be issued within a period of sixty days from the date of receipt of the declaration.

(5) The declarant shall pay electronically through internet banking, the amount payable as indicated in the statement issued by the designated committee, within a period of thirty days from the date of issue of such statement.

(6) Where the declarant has filed an appeal or reference or a reply to the show cause notice against any order or notice giving rise to the tax dues, before the appellate forum, other than the Supreme Court or the High Court, then, notwithstanding anything contained in any other provisions of any law for the time being in force, such appeal or reference or reply shall be deemed to have been withdrawn.

(7) Where the declarant has filed a writ petition or appeal or reference before any High Court or the Supreme Court against any order in respect of the tax dues, the declarant shall file an application before such High Court or the Supreme Court for withdrawing such writ petition, appeal or reference and after withdrawal of such writ petition, appeal or reference with the leave of the Court, he shall furnish proof of such withdrawal to the designated committee, in such manner as may be prescribed, along with the proof of payment referred to in sub-section (5).

(8) On payment of the amount indicated in the statement of the designated committee and production of proof of withdrawal of appeal, wherever applicable, the designated committee shall issue a discharge certificate in electronic form, within thirty days of the said payment and production of proof.

Rectification of errors.

128. Within thirty days of the date of issue of a statement indicating the amount payable by the declarant, the designated committee may modify its order only to correct an arithmetical error or clerical error, which is apparent on the face of record, on such error being pointed out by the declarant or suo motu, by the designated committee.

Issue of discharge certificate to be conclusive of matter and time period.

129. (1) Every discharge certificate issued under section 126 with respect to the amount payable under this Scheme shall be conclusive as to the matter and time period stated therein, and-

(a) the declarant shall not be liable to pay any further duty, interest, or penalty with respect to the matter and time period covered in the declaration;

(b) the declarant shall not be liable to be prosecuted under the indirect tax enactment with respect to the matter and time period covered in the declaration;

(c) no matter and time period covered by such declaration shall be reopened in any other proceeding under the indirect tax enactment.

(2) Notwithstanding anything contained in sub-section (1),-

(a) no person being a party in appeal, application, revision or reference shall contend that the central excise officer has acquiesced in the decision on the disputed issue by issuing the discharge certificate under this scheme;

(b) the issue of the discharge certificate with respect to a matter for a time period shall not preclude the issue of a show cause notice,-

(i) for the same matter for a subsequent time period; or

(ii) for a different matter for the same time period;

(c) in a case of voluntary disclosure where any material particular furnished in the declaration is subsequently found to be false, within a period of one year of issue of the discharge certificate, it shall be presumed as if the declaration was never made and proceedings under the applicable indirect tax enactment shall be instituted

Restrictions of Scheme.

130. (1) Any amount paid under this Scheme,-

(a) shall not be paid through the input tax credit account under the indirect tax enactment or any other Act;

(b) shall not be refundable under any circumstances;

(c) shall not, under the indirect tax enactment or under any other Act,-

(i) be taken as input tax credit; or

(ii) entitle any person to take input tax credit, as a recipient, of the excisable goods or taxable services, with respect to the matter and time period covered in the declaration.

(2) In case any pre-deposit or other deposit already paid exceeds the amount payable as indicated in the statement of the designated committee, the difference shall not be refunded.

Removal of doubts.

131. For the removal of doubts, it is hereby declared that, save as otherwise expressly provided in sub-section (1) of section 124, nothing contained in this Scheme shall be construed as conferring any benefit, concession or immunity on the declarant in any proceedings other than those in relation to the matter and time period to which the declaration has been made.

Power to make rules.

132. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Scheme.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

(a) the form in which a declaration may be made and the manner in which such declaration may be verified;

(b) the manner of constitution of the designated committee and its rules of procedure and functioning;

(c) the form and manner of estimation of amount payable by the declarant and the procedure relating thereto;

(d) the form and manner of making the payment by the declarant and the intimation regarding the withdrawal of appeal;

(e) the form and manner of the discharge certificate which may be granted to the declarant;

(f) the manner in which the instructions may be issued and published;

(g) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

(3) The Central Government shall cause every rule made under this Scheme to be laid, as soon as may be after it is made, before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to issue orders, instructions, etc.

133. (1) The Central Board of Indirect Taxes and Customs may, from time to time, issue such orders, instructions and directions to the authorities, as it may deem fit, for the proper administration of this Scheme, and such authorities, and all other persons employed in the execution of this Scheme shall observe and follow such orders, instructions and directions:

Provided that no such orders, instructions or directions shall be issued so as to require any designated authority to dispose of a particular case in a particular manner.

(2) Without prejudice to the generality of the foregoing power, the Central Board of Indirect Taxes and Customs may, if it considers necessary or expedient so to do, for the purpose of proper and efficient administration of the Scheme and collection of revenue, issue, from time to time, general or special orders in respect of any class of cases, setting forth directions or instructions as to the guidelines, principles or procedures to be followed by the authorities in the work relating to administration of the Scheme and collection of revenue and any such order may, if the said Board is of opinion that it is necessary in the public interest so to do, be published in the prescribed manner.

Removal of difficulties.

134. (1) If any difficulty arises in giving effect to the provisions of this Scheme, the Central Government may, by order, not inconsistent with the provisions of this Scheme, remove the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Scheme come into force.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

Protection to officers.

135. (1) No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer of the Central Government for anything which is done, or intended to be done in good faith, in pursuance of this Scheme or any rule made thereunder.

(2) No proceeding, other than a suit shall be commenced against the Central Government or any officer of the Central Government for anything done or purported to have been done in pursuance of this Scheme, or any rule made thereunder, without giving the Central Government or such officer a prior notice of not less than one month in writing of the intended proceeding and of the cause thereof, or after the expiration of three months from the accrual of such cause.

(3) No proceeding shall be commenced against any officer only on the ground of subsequent detection of an error in calculating the amount of duty payable by the declarant, unless there is evidence of misconduct.

Chapter 10

Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019

1. Short title and commencement.-

(1) These rules may be called the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019.

(2) They shall come into force on the 1st day of September, 2019.

2. **Definitions**.- In these rules, unless the context otherwise requires, -

(a) "Scheme" means the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019, specified under Chapter V of the Finance (No.2) Act, 2019 (23 of 2019);

(b) "section" means the section of the Finance (No. 2) Act, 2019;

(c) "Form" means the Form annexed to these rules;

(d) Words and expressions used in these rules but not defined in these rules and defined in the Scheme shall have the meanings respectively assigned to them in the Scheme.

3. Form of declaration under section 125 .- (1) The declaration under section 125 shall be made electronically at https://cbic-gst.gov.in in Form SVLDRS-1 by the declarant ,on or before the 31st December,2019.

(2) A separate declaration shall be filed for each case.

Explanation.- For the purpose of this rule, a “case” means –

(a) a show cause notice, or one or more appeal arising out of such notice which is pending as on the 30th day of June, 2019; or

(b) an amount in arrears; or

(c) an enquiry or investigation or audit where the amount is quantified on or before the 30th day of June, 2019; or

(d) a voluntary disclosure.

4. Auto acknowledgement.- On receipt of declaration, an auto acknowledgement bearing a unique reference number shall be generated by the system.

5. Constitution of designated committee.- (1) The designated committee under section 126 shall consist of –

(a) the Principal Commissioner or Commissioner of Central Excise and Service Tax, as the case may be, and the Additional Commissioner or Joint Commissioner of Central Excise and Service Tax, as the case may be, in a case where the tax dues are more than rupees fifty lakh:

Provided that there shall be only one such designated committee in a Commissionerate of Central Excise and Service Tax;

(b) the Additional Commissioner or Joint Commissioner of Central Excise and Service Tax, as the case may be, and the Deputy Commissioner or Assistant Commissioner of Central Excise and Service Tax, as the case may be, in a case where the tax dues are rupees fifty lakh or less:

Provided that there will only be one such designated committee in a Commissionerate of Central Excise and Service Tax;

(c) the Principal Additional Director General (Adjudication) or Additional Director General (Adjudication), Directorate General of Good and Services Tax Intelligence (DGGI), and Additional Director or Joint Director, Directorate General of Good and Services Tax Intelligence (DGGI), Delhi.

(2) The members of the designated committee mentioned in clause (a) and (b) of sub-rule (1) shall be nominated by the Principal Chief Commissioner or Chief Commissioner of Central Excise and Service Tax, as the case may be.

(3) The members of the designated committee mentioned in clause (c) of sub-rule (1) shall be nominated by Pr. Director General or Director General, Directorate General of Good and Services Tax Intelligence (DGGI), as the case may be.

6. Verification by designated committee and issue of estimate, etc.- (1) The declaration made under section 125, except when it relates to a case of voluntary disclosure of an amount of duty, shall be verified by the designated committee based on the particulars furnished by the declarant as well as the records available with the Department.

(2) The statement under sub-sections (1) and (4) of section 127, as the case may be, shall be issued by the designated committee electronically, within a period of sixty days from the date of receipt of the declaration under sub-rule (1) of rule 3, in Form SVLDRS-3 setting forth therein the particulars of the amount payable:

Provided that no such statement shall be issued in a case where the amount payable, as determined by the designated committee is nil and there is no appeal pending in a High Court or the Supreme Court.

(3) Where the amount estimated to be payable by the declarant exceeds the amount declared by the declarant, then, the designated committee shall issue electronically, within thirty days of the date of receipt of the declaration under sub-rule (1) of rule 3, in Form SVLDRS-2, an estimate of the amount payable by the declarant along with a notice of opportunity for personal hearing.

(4) If the declarant wants to indicate agreement or disagreement with the estimate referred to in sub-rule (3) or wants to make written submissions or waive personal hearing or seek an adjournment, he shall file electronically Form SVLDRS-2A indicating the same:

Provided that if no such agreement or disagreement is indicated till the date of personal hearing and the declarant does not appear before the designated committee for personal hearing, the committee shall decide the matter based on available records.

(5) On receipt of a request for an adjournment under sub-rule (4), the designated committee may grant the same electronically in Form SVLDRS-2B:

Provided if the declarant does not appear before the designated committee for personal hearing after adjournment, the committee shall decide the matter based on available records.

(6) Within thirty days of the date of issue of Form SVLDRS-3, the designated committee may modify its order only to correct an arithmetical error or clerical error, which is apparent on the face of record, on such error being pointed out by the declarant or suo motu by issuing electronically a revised Form SVLDRS-3.

7. Form and manner of making the payment.- Every declarant shall pay electronically the amount, as indicated in Form SVLDRS-3 issued by the designated committee, within a period of thirty days from the date of its issue.

8. Proof of withdrawal of appeal from High Court or Supreme Court.- Proof of withdrawal of appeal or writ petition or reference before a High Court or the Supreme Court, as the case may be, under sub-section (7) of section 127 shall be furnished electronically by the declarant.

9. Issue of discharge certificate.- The designated committee on being satisfied that the declarant has paid in full the amount as determined by it and indicated in Form SVLDRS-3, and on submission of proof of withdrawal of appeal or writ petition or reference referred to in rule 8, if any, shall issue electronically in Form SVLDRS-4 a discharge certificate under sub-section (8) of section 127 within thirty days of the said payment and submission of the said proof, whichever is later:

Provided that in a case where Form SVLDRS-3 has not been issued by the designated committee by virtue of the proviso to sub-rule (2) of rule 6, the discharge certificate shall be issued within thirty days of the filing of declaration referred to in sub-rule (1) of rule 3.

Chapter 11
Various Forms

Form SVLDRS-1

[Declaration under section 125 of the Finance Act (No. 2), 2019 read with rule 3 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019]

SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

Part-A

1. Do you have a Central Excise or Service Tax Registration No.

Yes	No

2. Name of the Declarant

3. Address of the declarant

4. Pin Code

5. Mobile Number

6. Email

7. PAN

8. Select a Commissionerate

Part-B

1. Central Excise or Service Tax Registration No.

2. Name of the declarant

3. Address of the declarant

4. Pin Code

5. Mobile Number

6. Email

7. PAN

8. Please answer Yes or No:

1.	Have you been convicted for an offence for the matter for which this declaration is being made? *[**Note**: If you answer YES to this question, you are ineligible to proceed further under the Scheme.]*	Yes ☐	No ☐
2.	Have you filed an application in the Settlement Commission for the case for which this declaration is being made? *[**Note**: If you answer YES to this question, you are ineligible to proceed further under the Scheme.]*	Yes ☐	No ☐
3.	Are you seeking to make this declaration with respect to excisable goods set forth in the Fourth Schedule to the Central Excise Act, 1944 (specified petroleum and tobacco products)? *[**Note**: If you answer YES to this question, you are ineligible to proceed further under the Scheme.]*	Yes ☐	No ☐
4.	Are you seeking to make this declaration with respect to a show cause notice of refund/erroneous refund? *[**Note**: If you answer YES to this question, you are ineligible to proceed further under the Scheme.]*	Yes ☐	No ☐
5.	Whether final hearing with regard to a matter in adjudication or appeal has taken place on or before 30.06.2019 for the matter for which this declaration is being made? *[**Note**: If you answer YES to this question, you are ineligible to proceed further under the LITIGATION category.]*	Yes ☐	No ☐
6.	Have you been subjected to any audit under the Central Excise Act,1944 or Chapter V of the Finance Act, 1994 in respect of the goods/services or both for which this declaration is being made? *[**Note**: If you answer YES to this question, you are ineligible to proceed further under the VOLUNTARY DISCLOSURE category.]*	Yes ☐	No ☐
7.	Have you received any written communication from a Central Excise Officer with regard to any audit to be conducted? *[**Note**: If you answer YES to this question, you are ineligible to proceed further under the VOLUNTARY DISCLOSURE category.]*	Yes ☐	No ☐

8.	Have you been subjected to any enquiry or investigation under the Central Excise Act,1944 or Chapter V of the Finance Act, 1994 in respect of the goods/services or both for which this declaration is being made by way of any of the following: (a) search of premises (b) issuance of summons (c) requiring the production of accounts, documents or other evidence (d) recording of statements	Yes	No

	*[**Note:** If you answer YES to this question, you are ineligible to proceed further under the VOLUNTARY DISCLOSURE category.]*	
9.	Have you filed any return for the period for which declaration is being made showing the amount of duty to be payable but not having paid it? *[**Note:** If you answer YES to this question, you are ineligible to proceed further under the VOLUNTARY DISCLOSURE category.]*	Yes ☐ No ☐
10.	Have the tax dues with regard to the matter under enquiry, investigation or audit NOT been quantified on or before 30.06.2019? *[**Note**: If you answer YES to this question, you are ineligible to proceed further under the INVESTIGATION, ENQUIRY OR AUDIT category.]*	Yes ☐ No ☐

9. Category of application

9.1 Litigation	9.1.1 SCN involving duty along with interest/late fee/penalty (if any) pending as on 30.06.2019 and final hearing not held before 30.06.2019	Whether the case is under adjudication by Pr. ADG/ADG (Adjudication), Delhi?					Yes ☐	No ☐
		SCN No. & Date	Duty/Tax/ Cess	Amount Of Duty/Tax/ Cess	Amount of Penalty	Amount of Late Fee	Amount of Deposit Made, If Any	Tax Dues Less Tax Relief
		A	B	C	D	E	F	G

9.1 Litigation	9.1.2 SCN involving penalty or late fee only pending as on 30.06.2019 and final hearing not held before 30.06.2019	SCN No. & Date	Amount of Penalty	Amount of Late Fee	Tax Dues Less Tax Relief
		A	B	C	D

9.1 Litigation	9.1.3 Appeal pending as on 30.06.2019, final hearing not held before 30.06.2019	Appeal No. and Date of Filing	Forum	O-i-O No. and date	Duty/Tax/Cess Confirmed in the O-i-O	Amount of Duty/Tax/ Cess	Whether Department a l Appeal is Pending in Relation to the O-i-O	Duty/ Tax/Cess And amount Under dispute	Total amount of duty under dispute	Total amt. of penalty	Total amt. of late fee	Amount of Pre-deposit / any other deposit of duty	Tax Dues minus Tax relief
		A	A1	B	C	D	E	F	G	H	I	J	K
								Declarant's Appeal		Depart - mental Appeal (Optional Field)			
								Duty/Tax/ Cess	Amt	Duty/ Tax/ Cess	Amt		

9.2 ARREARS	9.2.1 Appeal not filed or appeal having attained finality	Order No. and date of receipt	Forum	Duty/Tax/ Cess Confirmed in the O-i-O or O-i-A	Amount of Duty/Tax/ Cess	Amount of Penalty Imposed in the O-i-O or O-i-A	Amount of Late Fee Imposed in the O-i-O or O-i-A	Amount of Pre-deposit or Any Other Deposit of Duty	Tax Dues less Tax Relief
		A	B	C	D	E	F	G	H
	9.2.2 Tax Dues declared in return as payable but not paid	Period for which return was filed	Date on which return was filed	Description of Goods/ Services	Duty/Tax/ Cess declared as payable in the return but not paid	Amount declared as payable in the return but not paid	Tax Dues less Tax Relief		

		A	B	C	D	E	F

9.3 Investigation, Enquiry or Audit	9.3.1 Investigation by DGGI	Duty/Tax/Cess	Total Amount Quantified	Reference No. and Date of communication of Quantified Amount	Description of Goods/ Services	Issue Involved	Amount Deposited	Tax Dues less Tax Relief
		A	B	C	D	E	F	G
	9.3.2 Investigation by Commissionerate	Duty/Tax/Cess	Total Amount Quantified	Reference No. and Date of communication of Quantified Amount	Description of Goods/ Services	Issue Involved	Amount Deposited	Tax Dues less Tax Relief
		A	B	C	D	E	F	G
	9.3.3 Audit	Duty/Tax/Cess	Total Amount Quantified	Reference No. and Date of communication of Quantified Amount	Description of Goods/ Services	Issue Involved	Amount Deposited	Tax Dues less Tax Relief
		A	B	C	D	E	F	G
9.4 VOLUNTARY DISCLOSURE		Duty/Tax/Cess	Total Amount	Period involved	Description of Goods/ Services	Issue involved	Tax Dues less Tax Relief	
		A	B	C	D	E	F	

10. Do you agree with the Tax Dues less Tax Relief calculated by the System? Yes/No

11. If you do not agree, state the reasons for disagreement:

12. Amount of Tax Dues less Tax Relief as per your calculation

VERIFICATION

I declare that I have read and understood the SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019, and agree to abide by the provisions and conditions of the Scheme, and that the information given in this declaration is correct and complete and the amount of tax dues and other particulars shown therein are truly stated.

I shall pay the amount as may be determined by the Designated Authority under the Scheme. Name of declarant/ authorized representative filing this declaration

Date: dd/mm/2019

PREVIEW

SUBMIT

A2Z Taxcorp LLP-Confidential and Privileged
34-B Ground Floor, Pocket-1, Mayur Vihar-I, New Delhi-110091
Tele: 91-11-42427056; email: info@a2ztaxcorp.com; www.a2ztaxcorp.com

Form SVLDRS-2

Estimate under section 127 of the Finance (No.2) Act, 2019 read with rule 6 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 to be issued by the Designated Committee

SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

Declaration No………………………….

SVLDRS-2 No………………………………….

Commissionerate/DGGI, Delhi………………………

Zone/DGGI, Delhi……………………………………

Whereas Mr./Ms./M/s. .... (hereinafter referred to as the declarant) having registration no./Non assessee code no.……………. has filed a Declaration No…………………… dated …..under section 125 of the Finance (No. 2) Act, 2019;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 127 of the Finance (No. 2) Act, 2019, the designated committee, after consideration of facts on record, hereby determines the following amount estimated to be payable by the declarant towards full and final settlement of his/her/their tax dues covered by the said declaration under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019:

Category	**Description of Goods/ Services**	**Matter involved**	**Time period**	**Tax dues**		**Tax Relief**	**Pre-deposit or any other deposit of duty**	**Estimated Amount Payable**	
A	**B**	**C**	**D**	**E**		**F**	**G**	**H**	
				Name* E1	**Amount E2**			**Name* H1**	**Amt H2**

*Name of Duty/Tax/Cess

Notice For Personal Hearing

A2Z Taxcorp LLP-Confidential and Privileged
34-B Ground Floor, Pocket-1, Mayur Vihar-I, New Delhi-110091
Tele: 91-11-42427056; email: info@a2ztaxcorp.com; www.a2ztaxcorp.com

If the Declarant does not agree with the Estimated Amount Payable, as determined by the designated committee, he is requested to appear for a Personal Hearing before the designated committee on …../……/2019 at ………… AM/PM at …………………………………………..(address) to explain the reasons thereof. Please submit Form SVLDRS 2A in case any other date and time of personal hearing is desired.

Members of the Designated Committee

1. Name:	2. Name:
Designation:	Designation:

(This is a computer generated print. There is no need for a signature)

Place……………………….

Date……………………….

PREVIEW SUBMIT

Form SVLDRS 2A

[Written submissions, waiver of personal hearing and adjournment under section 127 of the Finance (No.2) Act, 2019 read with rule 6 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019]

SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

1. Do you agree with the Estimate in SVLDRS-2 Number: Yes / No
2. Do you want make written submissions: Yes / No
3. Written submission containing reasons for disagreement:

……
……

4. Do you want to upload documents in support of your submissions? Yes / No
If Yes, Upload Documents
5. Do you want to waive personal hearing? Yes / No
6. Do you want to seek an adjournment of personal hearing offered to you? Yes / No
7. Indicate a preferred date for hearing:
8. Name of declarant/ authorized representative:

Date:

PREVIEW **SUBMIT**

Form SVLDRS-2B

[Intimation of personal hearing after adjournment under section 127 of the Finance (No.2) Act, 2019 read with rule 6 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019]

SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

To,

Mr./Ms./M/s…………………………

Registration No………………………

This is to inform that the Personal Hearing before the designated committee in relation to the subject Declaration No……………………..filed by you under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 has been fixed at …………….(AM/PM) on…………………(date) in the office of ………………………………………(address).

Please note that in the event of failure to attend the Personal Hearing the designated committee shall take a decision in regard to your Declaration in accordance with the legal provisions on the basis of the facts on record without further reference to you.

Members of the Designated Committee

1.	Name: Designation:	2.	Name: Designation:

(This is a computer generated print. There is no need for a signature)

Place……………………….

Date………………………..

PREVIEW **SUBMIT**

A2Z Taxcorp LLP-Confidential and Privileged
34-B Ground Floor, Pocket-1, Mayur Vihar-I, New Delhi-110091
Tele: 91-11-42427056; email: info@a2ztaxcorp.com; www.a2ztaxcorp.com

Form SVLDRS-3

[Statement under section 127 of the Finance (No.2) Act, 2019 read with rule 6 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 to be issued by the Designated Committee]

SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

Declaration No………………………….

SVLDRS-3 No………………………………….

Commissionerate/DGGI, Delhi………………………

Zone/DGGI, Delhi……………………………………..

Whereas Mr./Ms./M/s. ....(hereinafter referred to as the declarant) having registration no./Non assessee code no.…………….has filed a Declaration No…………………… dated ………under section 125 of the Finance (No. 2) Act, 2019;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (4), as the case may be, of section 127 of the Finance (No. 2) Act, 2019, the designated committee, after consideration of relevant material, hereby determines the following amount is payable by the declarant towards full and final settlement of tax dues under …………….(Central Excise Act, 1944 /Finance Act, 1994/Cess Act) covered by the said declaration under the Scheme:

Category	Description of Goods/ Services	Matter involved	Time period	Tax dues		Tax relief	Pre-deposit or any other deposit of duty	Estimated Amount Payable	
A	B	C	D	E		F	G	H	
				Name* E1	Amount E2			Name* H1	Amt H2

*Name of Duty/Tax/Cess

Notes:

(1) The Declarant is hereby directed to make payment of the amount payable within thirty days from the date of this Statement.

(2) The Declarant has to withdraw the writ petition/appeal/reference before ....(mention the name of the High Court) High Court or the Supreme Court against any order in respect of the tax dues and furnish the proof of such withdrawal in accordance with the provisions contained in sub-section (7) of section 127 of the Finance (No. 2) Act, 2019;

Members of the Designated Committee

1. Name:	2. Name:
Designation:	Designation:

(This is a computer generated print. There is no need for a signature)

Place……………………….

Date………………………..

PREVIEW

SUBMIT

FORM SVLDRS-4

[Discharge Certificate for Full and Final Settlement of Tax Dues under section 127 of the Finance (No. 2) Act, 2019 read with rule 9 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019]

SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME RULES, 2019

Declaration No………………………….

SVLDRS-4 No………………………………….

Commissionerate/DGGI, Delhi………………………

A2Z Taxcorp LLP-Confidential and Privileged
34-B Ground Floor, Pocket-1, Mayur Vihar-I, New Delhi-110091
Tele: 91-11-42427056; email: info@a2ztaxcorp.com; www.a2ztaxcorp.com

Zone/DGGI, Delhi……………………………………

Whereas...(Name and address of the declarant) having registration number……………… had made a declaration under Section 125 of the Finance (No. 2) Act, 2019;

And whereas the designated committee by issue of a statement dated .... under Section 127 of the Finance (No. 2) Act, 2019 determined the amount of Rs. .... (Rupees ………………) payable by the declarant in accordance with the provisions of the Scheme towards full and final settlement of tax dues as per details given below:

Category	Description of Goods/ Services	Matter involved	Time period	Tax dues		Tax relief	Pre-deposit or any other deposit of duty	Estimated Amount Payable	
A	B	C	D	E		F	G	H	
				Name* E1	Amount E2			Name* H1	Amt H2

And whereas the declarant has paid Rs. .... (Rupees ………………) being the amount payable determined by the designated committee under section 126 of the Finance (No. 2) Act, 2019

And whereas the declarant had filed an appeal before the .... (mention the name of the Commissioner (Appeal) or the CESTAT (Branch name) against any order in respect of the tax dues and whereas the said appeal is deemed to be withdrawn in accordance with the provisions contained in sub-section (6) of section 127 of the Finance (No. 2) Act, 2019;

OR

And whereas the declarant had filed a writ petition/appeal/reference before ....(mention the name of the High Court) High Court or the Supreme Court against any order in respect of the tax dues and the declarant has withdrawn the said writ petition/appeal/reference and furnished proof of such withdrawal in accordance with the provisions contained in sub-section (7) of section 127 of the Finance (No. 2) Act, 2019;

Now, therefore, in exercise of the powers conferred by sub-section (8) of section 127 of the Finance (No. 2) Act, 2019, the designated committee hereby issues this Discharge Certificate to the said declarant:-

(a) certifying the receipt of payment from the declarant towards full and final settlement of the tax dues determined in the Statement No………..dated............in accordance with the

(b) Declaration no………dated……..made by the aforesaid declarant;

(c) discharging the declarant from the payment of any further duty, interest or penalty with respect to the aforesaid matter;

(d) granting immunity, subject to the provisions contained in the Scheme, from instituting any proceeding for prosecution for any offence under the Central Excise Act 1944/ Chapter V of the

(e) Finance Act 1994/------------ Cess Act ----) or from the imposition of penalty under the said enactment, in respect of the aforesaid matter; and

(f) The provisions of sections 129 and 131 of the Finance (No.2) Act 2019 will be applicable with respect to this Discharge Certificate.

Members of the Designated Committee

3.	Name: Designation:	2.	Name: Designation:

(This is a computer generated print. There is no need for a signature)

Place……………………….

Date………………………..

PREVIEW   SUBMIT

To

1. The Declarant

2. Adjudicating Officer

3. Commissioner of Central Excise, Service Tax and CGST (jurisdictional)

4. Chief Commissioner of Central Excise, Service Tax and CGST / Pr. Director General, DGGI

5. Concerned Appellate Forum

NB: Delete whatever is not applicable.**]**

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Chapter 12

Circular No. 1071/4/2019-CX.8

F. No. 267/78/2019/CX-8-Pt.lll

Government of India

Ministry of Finance

Department of Revenue

Central Board of Indirect Taxes and Customs

Dated, the 27th August, 2019

To

The Principal Chief Commissioners/ Chief Commissioners (All)

The Principal Director Generals/ Director Generals (All)

Dear Madam/Sir,

I am directed to state that the Government has announced the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 as a part of the recent Union Budget. Further, in accordance with the Finance (No.2) Act, 2019, the Central Government has notified the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 as well as issued Notification No. 04/2019 Central Excise-NT dated 21.08.2019 to operationalize this Scheme from 01.09.2019 to 31.12.2019.

2. As may be appreciated, this Scheme is a bold endeavour to unload the baggage relating to the legacy taxes viz. Central Excise and Service Tax that have been subsumed under GST and allow business to make a new beginning and focus on GST. Therefore, it is incumbent upon all officers and staff of CBIC to partner with the trade and industry to make this Scheme a grand success.

3. Dispute resolution and amnesty are the two components of this Scheme. The dispute resolution component is aimed at liquidating the legacy cases locked up in litigation at various forums whereas the amnesty component gives an opportunity to those who have failed to correctly discharge their tax liability to pay the tax dues. As may be seen, this Scheme offers substantial relief to the taxpayers and others who may potentially avail it.

Moreover, the Scheme also focuses on the small taxpayers as would be evident from the fact that the extent of relief provided is higher in respect of cases involving lesser duty (smaller taxpayers can generally be expected to face disputes involving relatively lower duty amounts).

4. The relief extended under this Scheme is summed up, as follows.

(a) For all the cases pending in adjudication or appeal (at any forum), the relief is to the extent of 70% of the duty involved if it is ₹ 50 lakhs or less and 50% if it is more than ₹ 50 lakhs. The same relief is available for cases under investigation and audit where the duty involved is quantified and communicated to the party or admitted by him in a statement on or before 30.06.2019.

(b) In cases of confirmed duty demand, where there is no appeal pending, the relief offered is 60% of the confirmed duty amount if the same is ₹ 50 lakhs or less and it is 40% if the confirmed duty amount is more than ₹ 50 lakhs.

(c) In cases of voluntary disclosure of duty not paid, the full amount of disclosed duty would have to be paid.

(d) There will be full waiver of interest and penalty under all the categories of cases, as at (a) to (c) above.

5. The relief under this Scheme is illustrated, as follows:

(i) If the amount of duty (including CENVAT credit) being litigated is ₹ 50 lakhs, then the taxpayer only needs to pay only ₹ 15 lakhs to settle his case.

(ii) If the amount of duty (including CENVAT credit) being litigated is ₹ 1 crore, then the taxpayer only needs to pay only ₹ 50 lakhs to settle his case.

(iii) If the amount of duty being litigated is 'nil', either because the show cause notice was only for penalty or because the duty was deposited at any subsequent stage, and only penalty is being contested, then the taxpayer does not need to deposit anything to settle his case. However, the taxpayer would have to make a declaration under this Scheme.

(iv) If the duty (including CENVAT credit) involved during investigation or audit is ₹ 50 lakhs, then the taxpayer only needs to pay ₹ 15 lakhs to settle his case.

(v) If the amount in arrears is ₹ 50 lakhs, then the taxpayer only needs to pay only ₹ 20 lakhs to settle his case.

(vi) If the taxpayer makes a voluntary disclosure of Rs. I crore, then he will need to pay ₹ 1 crore to settle his case.

6. It may be appreciated that the ambit of this Scheme is wide enough to cover all kinds of pending disputes, including call book cases, except for a few categories. The exclusions are firstly, cases in respect of goods that are still subject to levy of Central Excise such as specified petroleum products and tobacco i.e. goods falling in the Fourth Schedule to the Central Excise Act, 1944. Secondly, cases for which the taxpayer/noticee has already been convicted in a Court of law. Thirdly, cases under adjudication or litigation where the final hearing has taken place on or before 30.06.2019. Fourthly, cases of erroneous refunds. Lastly, cases which are pending before the Settlement Commission.

7. Some of the highlights of this Scheme are that it will be fully automated with a dedicated portal (www.cbic-gst.gov.in) for online filing of declaration and communication of final decision. DG (Systems) will shortly issue a user manual for the online facility being provided to implement this Scheme. This has been done with the objectives of ensuring transparency, speed and accountability in the decision making. There are also fixed timelines for the various processes involved which are to be strictly adhered to so that the entire process of filing of declaration to communication of Department's decision and to payment gets completed within 90 days. This is important as there is no scope for extension of the time period for the sub-processes or the complete process. It is also important to appreciate that while this Scheme indicates various timelines, it is in the common interest of both the taxpayer and the Department that any declaration made thereunder is expeditiously handled well before the indicated timelines. This should be an area of focus for the Designated Committees as well as the supervisory Principal Chief Commissioner/Chief Commissioner concerned.

8. Once the declarant produces the proof of payment and withdrawal of appeal in High Court and Supreme Court, if applicable, for in cases of lower forums the Scheme provides for deemed withdrawal of appeal, a discharge certificate will be issued indicating a full and final closure of the proceedings in question for both the Department and the taxpayer. It merits mention that every discharge certificate shall be conclusive as to the matter and time period stated therein. The declarant shall be not be liable to pay any further duty, interest or penalty. No matter and time period covered under a discharge certificate shall be reopened in any other proceedings under the said indirect tax enactments. This entails a full waiver from prosecution as well. The only exception is in case of a taxpayer's voluntary disclosure of liability as there is no way to verify its correctness, so a provision is made to reopen such declaration within one year of issue of a discharge certificate, if subsequently any material particular is found to be false.

9. Moreover, the scope of discretion has been kept to the minimum by linking the relief under this Scheme to the duty amount which is already known to both the Department and the

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taxpayer in the form of a show cause notice/order of determination or a written communication. The calculation of relief itself will be automated. Even in case of voluntary disclosure, no verification will be carried out by the Department. Still in the eventuality the declarant seeks the opportunity of being heard, the decision would be taken only after giving him this opportunity.

10. Further, the following issues are clarified in the context of the various provisions of the Finance (No.2) Act, 2019 and Rules made thereunder:

(a) Section 129(2) (a) provides that no person being a party in appeal, application, revision or reference shall contend that by issuing a discharge certificate, Department has accepted the disputed position. Section 129(2)(b) further provides that issue of a discharge certificate does not prevent issuance of a show cause notice for the same matter for a subsequent period or for a different matter in the same period. It is clarified that similar position will apply in case of Department also. In other words, a declaration under this Scheme will not be a basis for assuming that the declarant has admitted the position, and no fresh show cause notice will be issued merely on that basis.

(b) Section 125(1)(d) mentions that the Scheme is not available to an applicant who has been issued a show cause notice relating to refund or erroneous refund. It has potential to lead to an interpretation that such persons will not be able to opt for the Scheme for any other dispute as well, since the restriction is on 'the person' in place of 'the case'. It is clarified that the exception from eligibility is for 'the case' and not 'the person'. In other words, if a person has been issued a show cause notice for a refund/erroneous refund and, at the same time, he also has other outstanding disputes which are covered under this Scheme, then, he will be eligible to file a declaration(s) for the other case(s). Same position will apply to persons covered under Sections 125(1 (b), (c), (e) and (g).

(c) This Scheme provides for adjustment of any amount paid as pre-deposit during appellate proceedings or as deposit during enquiry, investigation or audit [Sections 124(2) and 130(2) refer]. In certain matters, tax may have been paid by utilising the input credit, and the matter is under dispute. In such cases, the tax already paid through input credit shall be adjusted by the Designated Committee at the time of determination of the final amount payable under the Scheme.

(d) With respect to penalty/late fee matters [Section 124(1)(b) refers], a doubt has been expressed that only show cause notices for late fee or penalty are covered under this Scheme as there is no mention of appellate proceedings. It is clarified that the provisions apply to any show cause notice for penalty/late fee, irrespective of the fact that it is under adjudication or appeal. Moreover, there can be a show cause notice that originally also involved a duty demand, and the amount of duty in the said notice became 'nil' whether on account of the fact that same has been paid under this Scheme or otherwise. Such cases are also covered under Section 124(1)(b).

(e) In case of appeals, the applicant is ineligible to apply if the final hearing is concluded but the order is awaited as on 30.06.2019. The hearings in matters are typically rescheduled even after the final hearing due to new bench, change in officer or any other reason. It is clarified that this restriction will apply to only those cases, where the appellate forum has heard the matter finally as on 30.06.2019.

(f) Section 125(g) excludes the cases where an application has been filed before the Settlement Commission for settlement. However, in many such cases, proceedings before the Commission may abate due to reasons such as rejection of the application by the Commission or due to order of the Commission not being passed within the prescribed time etc. It is clarified that all such cases which are outside the purview of the Settlement Commission shall be covered under the Scheme under the relevant category of adjudication or appeal or arrears as the case may be provided the eligibility is otherwise established under this Scheme. Further, any pending appeals, reference or writ petition filed against or any arrears emerging out of the orders of Settlement Commission are also eligible under the Scheme.

(g) Cases under an enquiry, investigation or audit where the duty demand has been quantified on or before the 30th day of June, 2019 are eligible under the Scheme. Section 2(r) defines "quantified" as a written communication of the amount of duty payable under the indirect tax enactment. It is clarified that such written communication will include a letter intimating duty demand; or duty liability admitted by the person during enquiry, investigation or audit; or audit report etc.

(h) Rule 3(2) of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 provides that a separate declaration shall be filed for each case. Many a times a show cause notice covers multiple matters concerning duty liability. It is clarified that a declarant cannot opt to avail benefit of scheme in respect of selected matters. In other words, the declarant has to file a declaration for all the matters concerning duty liability covered under the show cause notice.

(i) Section 124(1) (b) provides that where the tax dues are relatable to a show cause notice for late fee or penalty only, and the amount of duty in the said notice has been paid or is 'nil', then, the entire amount of late fee or penalty will be waived. This section, inter alia, covers cases of penal action against co-noticees. In case of a show cause notice demanding duty/tax from main taxpayer and proposing penal action against co-noticees, it is clarified that the co-noticees can't avail the benefits of the scheme till such time the duty demand is not settled. Once, the main-noticee discharges the duty demand, the co-noticees can apply under this Scheme. This will also cover cases where the main noticee has settled the matter before the Settlement Commission and paid the dues and in which co-noticees were not a party to the proceedings before the Settlement Commission.

(j) Section 127(5) of the Scheme provides that the declarant shall pay the amount indicated in the Statement issued by the Designated Committee within a period of thirty days. If the declarant does not pay the amount within the stipulated time, due to any reason, the declaration will be treated as lapsed.

(k) In respect of matters under investigation by DGGI, there may be cases where the duty quantified relates to more than one Commissionerate. In such cases, the Designated Committee of the Commissionerate involving the maximum amount of duty will decide the case. Further, in other cases of DGGI wherein the show cause notice that has been issued covers more than one Commissionerate, a common adjudicator must be quickly appointed under intimation to the Chief Commissioner concerned and DG Systems so the Designated Committee of that Commissionerate can finalize this matter.

11. In order to make this Scheme a success, the following actions are required to be taken on priority:

(i) It shall be ensured that the updated and complete records of the cases eligible under the Scheme are made available to the Designated Committees by 31.08.2019. It may be noted that except for voluntary disclosure, the information regarding eligible taxpayers is readily available with the field formations through show cause notices which are yet to be adjudicated, or cases which are pending at various appellate forums or the cases under investigation or audit where the duty demand has been quantified and communicated on or before 30.06.2019 or the cases of recoverable arrears.

(ii) An intensive out-reach programme to create awareness among the trade and industry at large and the eligible taxpayers in particular needs to be carried out. In this direction it will also be desirable to communicate to the eligible taxpayers the benefits of this Scheme through a polite email or phone call or letter. For these purposes the publicity material prepared by DGTPS can be used. Also, registration details of such eligible taxpayers shall be conveyed to DG (Systems) so that periodic SMS can be sent to them, informing about this Scheme.

(iii) Though this Scheme provides a period of sixty days for the Designated Committee to decide on a declaration filed by a taxpayer, a speedier disposal is expected by the

Board. For instance, in cases of voluntary disclosure, no verification is necessitated which means that the declaration will be accepted as such. Hence, such cases must be finalized within 15 days of filing of the declaration. Similarly, as the duty amount is already known in the form of a show cause notice/order of determination or a written communication/or order in appeal or disputed amount in appeal, and the tax-relief will be calculated by the system automatically, where these particulars are found to be correct as per the declaration filed and the records available with the Department, such cases must also be finalized within 15 days of filing of the declaration. These timelines must be strictly adhered to.

(iv) There shall be two Designated Committees of two officers each in a Commissionerate to process the declarations received thereunder (for this purpose Audit Commissionerates are to be left out). The Designated Committees have been set up based on the amount of tax dues. For removal of doubts, it is, hereby, clarified that this duty demand is before applying the tax-relief. For example, if in a show cause notice the duty demanded is ₹ 60 lakhs, the same will fall under the purview of a Committee consisting of Principal Commissioner/Commissioner and Additional/Joint Commissioner even though the final duty payable after applying tax-relief will be less than ₹ 50 lakhs. Essentially, where the duty payable as determined by the Designated Committee comes out to be more or less than the amount declared by the taxpayer, there will no change in the composition of the Designated Committee. In other words, the same Designated Committee to which the declaration is automatically routed based on the amount mentioned therein will take a final decision in the matter. The members of the Committee will be nominated by jurisdictional Principal Chief Commissioner/Chief Commissioner and Principal Director General/ Director General, DGGI, as the case may be. It is expected that the Designated Committee will be prompt in decision making by consensus and the senior officer in the Committee will take a lead to ensure the same.

(v) It shall be the responsibility of the Zonal Principal Chief Commissioners/Chief Commissioners and Principal Director General/ Director General, DGGI (in the case of DGGI, Delhi) to ensure the success of the Scheme. Apart from the reach-out programme outlined at (i) above, it also needs to be ensured that the members of the Designated Committee are properly trained and well versed with the Scheme and the software application. In this connection DG (NACIN) has been instructed to carry out suitable training.

12. The Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 has the potential to liquidate the huge outstanding litigation and free the taxpayers from the burden of litigation and investigation under the legacy taxes. The administrative machinery of the Government will also be able to fully focus on helping the taxpayers in the smooth implementation of GST.

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Thus, the importance of making this Scheme a grand success cannot be overstated. The Principal Chief Commissioners/Principal Directors General/Chief Commissioners/Directors General and all officers and staff are instructed to familiarize themselves with this Scheme and actively ensure its smooth implementation.

Yours sincerely

(Navraj Goyal)

OSD(CX)

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Chapter 13

Circular No. 1072/05/2019-CX

F. No. 267/78/2019/CX-8-Pt.III

Government of India

Ministry of Finance

Department of Revenue

Central Board of Indirect Taxes and Customs

Dated, the 25th September, 2019

To

The Principal Chief Commissioners/ Chief Commissioners (All)

The Principal Directors General/ Directors General (All)

Subject: Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019-reg

Dear Madam/Sir,

I am directed to invite your attention to Board's Circular No. 1071/4/2019-CX.8 dated 27thAugust, 2019 on the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. Subsequently, the Board has received references from field formations as well as from the trade seeking certain clarifications on the Scheme.

2. The references received by the Board have been examined, and the issues raised therein are clarified in the context of the various provisions of the Finance (No.2) Act, 2019 and Rules made thereunder, as follows:

(i) Only the persons who are eligible in terms of Section 125 can file a declaration under the Scheme. The eligibility conditions are captured in Form SVLDRS-1 (Sr. No. 8). The system automatically disallows persons who are not eligible from filing a declaration. However, there is a possibility that such ineligible persons may still make a declaration by selecting an incorrect response. For instance, under Sr. No. 8.1, the person making a declaration has to indicate whether he/she has been convicted for an offence for the matter for which the declaration is being made. If, the answer is 'Yes', then the person is ineligible and is not allowed to proceed further by the system. However, such person is able to file a declaration if he/she incorrectly indicates 'No' as the answer even though he/she has been convicted. Such declarations are void and do not merit consideration under the Scheme. Such persons may be informed of their ineligibility through a letter.

(ii) Section 124(1)(a) outlines the relief available in the case of one or more appeals arising out of a Show Cause Notice. Such an appeal may have been filed either by the party or by the department. Further, Section 127(6) provides for deemed withdrawal of such appeals filed by a declarant pending at a forum other than the Supreme Court or High Court. It is clarified that such deemed withdrawal 2 will also be applicable for departmental appeals. Further, where a departmental appeal, reference or writ petition is pending before the Supreme Court or High Court, the department will file an application for withdrawal of such appeal, reference or writ petition after issuance of the discharge certificate. Similarly, if prosecution has already been launched, the procedure as laid down in Circular No. 1009/16/2015-CX dated 23-10-2015 should be followed for withdrawal of prosecution after issuance of discharge certificate.

(iii) One of the category of cases for which a declaration can be made under the Scheme is where the declarant has filed a return but not paid duty. It is possible that a taxpayer may not have paid duty in case of multiple returns. It may be noted that Rule 3 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 provides that a separate declaration shall be filed for each case. Further, in terms of the Explanation to Rule 3, in case of arrears, a case means 'an amount in arrears'. Section 121(c)(iii) defines an "amount in arrears" as the duty recoverable on account of the declarant having filed a return but not paying duty. Since the amount in arrears pertains to a return, a separate declaration will need to be filed for each such return.

(iv) Section 121(c) defines an amount in arrears as the amount of duty which is recoverable as arrears of duty. Further, Section 123 defines 'tax dues' in respect of arrears as the amount which is due in arrears. In other words, tax dues are the amount of duty which is outstanding against the declarant. This is the net amount after deducting the dues that he has already paid. Such payment may be in the form of pre-deposits appropriated or paid subsequently by the taxpayer voluntarily against the outstanding amount. It is clarified that the relief available under Section 124(1)(c) will be applied to the net outstanding amount so arrived at. It may be noted that in respect of all other categories, any money paid before its appropriation is in the nature of a deposit only. Hence, in respect of declarations made under these other categories, the relief will be applied to the outstanding amount and, only thereafter the pre-deposits/deposits [Section 124(2)] shall be adjusted. The same is illustrated as follows:

(a) Taxpayer has outstanding arrears of confirmed duty demand of Rs. 1 crore and he has already paid Rs. 60 lakhs. So, the amount of tax dues is Rs 40 lakhs. After applying applicable relief @ 60%, the amount payable under the Scheme is Rs 16 lakhs.

(b) Taxpayer has outstanding arrears of confirmed duty demand of Rs 1 crore apart from Rs 20 lakh penalty and interest as applicable. He has already paid Rs 1 cr towards duty. So, the amount of tax dues is zero, and the amount payable under the Scheme is zero.

(v) It may so happen that on being pointed out by audit etc, the taxpayer may in some cases deposit the duty without interest. In such cases, a Show Cause Notice is generally issued for appropriating the duty deposited and demanding the applicable 3 interest.

It is clarified that such cases are covered under the Scheme. However, in no case will a refund of the duty paid be made to the taxpayer.

(vi) Section 125(1)(f) bars a person from making voluntary disclosure after being subjected to an enquiry or investigation or audit. Further, what constitutes an enquiry or investigation or audit has also been defined [Sections 121(g) and 121(m)]. A doubt has been expressed as to whether benefit of the Scheme would be available in cases where documents like balance sheet, profit and loss account etc. are called for by department, while quoting authority of Section 14 of the Central Excise Act, 1944 etc. It is clarified that the Designated Committee concerned may take a view on merit, taking into account the facts and circumstances of each case as to whether the provisions of Section 125(1)(f) are attracted in such cases.

(vii) Section 125(1)(a) excludes cases which are under appeal and where final hearing has taken place on or before 30th June, 2019 from the purview of the Scheme. Similar exclusion has been made applicable, mutatis mutandis, under Section 125(1)(c) to cases under adjudication. It is clarified that such cases, however, may still fall under the arrears category once the appellate or adjudication order, as the case may be, is passed and has attained finality or appeal period is over, and other requirements under the Scheme are fulfilled.

(viii) Section 121(c) (i) and (ii) define “an amount in arrears” as the amount of duty which is recoverable, inter alia, on account of no appeal having been filed by the declarant against an order or order in appeal before the expiry of the period of time for filing of appeal or the order in appeal having attained finality. There may be situations where the taxpayer does not want to file an appeal even though the time period for filing of appeal is not over. It is clarified that in such cases, the taxpayer can file a declaration under the Scheme provided he gives in writing to the department that he will not file an appeal. This declaration shall be binding on the taxpayer.

3. Difficulty if any, in implementation of this Circular may be brought to the notice of the Board.

Yours sincerely,

(Navraj Goyal)

OSD(CX)

Chapter 14

Frequently Asked Questions (FAQs)

[**Notes:** 1. For Scheme details please refer to the Finance (No.2) Act, 2019.
2. The 'sections' referred below are those of the Finance (No.2) Act, 2019.
3. In case of any apparent inconsistency between the contents of these FAQs and the statutory provisions, the latter shall prevail.]

**

Q1. Who is eligible to file declaration under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019?

Ans. Any person falling under the following categories is eligible, subject to other conditions, to file a declaration under the Scheme:

(a) Who has a show cause notice (SCN) for demand of duty/tax or one or more pending appeals arising out of such notice where the final hearing has not taken place as on 30.06.2019.

(b) Who has been issued SCN for penalty and late fee only and where the final hearing has not taken place as on 30.06.2019.

(c) Who has recoverable arrears pending.

(d) Who has cases under investigation and audit where the duty/tax involved has been quantified and communicated to him or admitted by him in a statement on or before 30th June, 2019.

(e) Who wants to make a voluntary disclosure.

Q2. What are the statutes covered under the Scheme?

Ans. This Scheme is applicable to the following enactments, namely:—

(a) The Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or Chapter V of the Finance Act, 1994 and the rules made thereunder;

(b) The following Acts, namely:—

(i) The Agricultural Produce Cess Act, 1940;
(ii) The Coffee Act, 1942;
(iii) The Mica Mines Labour Welfare Fund Act, 1946;
(iv) The Rubber Act, 1947;
(v) The Salt Cess Act, 1953;
(vi) The Medicinal and Toilet Preparations (Excise Duties) Act, 1955;

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(vii) The Additional Duties of Excise (Goods of Special Importance) Act, 1957;
(viii) The Mineral Products (Additional Duties of Excise and Customs) Act, 1958;
(ix) The Sugar (Special Excise Duty) Act, 1959;
(x) The Textiles Committee Act, 1963;
(xi) The Produce Cess Act, 1966;
(xii) The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
(xiii) The Coal Mines (Conservation and Development) Act, 1974;
(xiv) The Oil Industry (Development) Act, 1974;
(xv) The Tobacco Cess Act, 1975;
(xvi) The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976;
(xvii) The Bidi Workers Welfare Cess Act, 1976;
(xviii) The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978;
(xix) The Sugar Cess Act, 1982;
(xx) The Jute Manufacturers Cess Act, 1983;
(xxi) The Agricultural and Processed Food Products Export Cess Act, 1985;
(xxii) The Spices Cess Act, 1986;
(xxiii) The Finance Act, 2004;
(xxiv) The Finance Act, 2007;
(xxv) The Finance Act, 2015;
(xxvi) The Finance Act, 2016;
(xxvii) Any other Act, as the Central Government may, by notification in the Official Gazette, specify.

Q3. If an enquiry or investigation or audit has started but the tax dues have not been quantified whether the person is eligible to opt for the Scheme?
Ans. No. If an audit, enquiry or investigation has started, and the amount of duty/duty payable has not been quantified on or before 30th June, 2019, the person shall not be eligible to opt for the Scheme.

Q4. If a SCN covers multiple issues, whether the person can file an application under the Scheme for only few issues covered in the SCN?
Ans. No. A person cannot opt to avail benefit of the Scheme in respect of selected matters. He must file a declaration in respect of all the matters concerning duty/tax liability covered under the SCN.

Q5. What is the scope of duty/tax relief covered under section 124(1)(b) with respect to SCN

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for late fee and penalty only where the amount of duty/tax in the said notice has been paid or is nil?
Ans. The relief shall be of the entire amount of late fee or penalty.

Q6. I have filed an appeal before the appellate forum [Commissioner (Appeals)/CESTAT] and such appeal has been heard finally on or before the 30th day of June, 2019. Am I eligible for the Scheme?
Ans. No, you are not eligible in view of section 125(1)(a).

Q7. What is the scope under the Scheme when adjudication order determining the duty/tax liability is passed and received prior to 30.06.2019, but the appeal is filed on or after 01.07.2019?
Ans. Such a person shall not be eligible to file a declaration under the Scheme.

Q8. I have been convicted for an offence punishable under a provision of the indirect tax enactment. Am I eligible for the Scheme?
Ans. If the conviction is for the same matter and time period for which the declaration is proposed to be filed, then you are not eligible to avail the Scheme.

Q9. I have been issued a SCN and the final hearing has taken place on or before 30.06.2019. Am I eligible for the Scheme?
Ans. No, you are not eligible as per section 125(1)(c).

Q10. I have been issued a SCN for an erroneous refund or refund. Am I eligible for the Scheme?
Ans. No, as per section 125(1)(d) you are not eligible to make a declaration under the Scheme in respect of an SCN issued for an erroneous refund or refund.

Q11. I have been subjected to an enquiry or investigation or audit and the amount of duty/tax involved therein has not been quantified on or before 30.06. 2019. Am I eligible for the Scheme?
Ans. No, as per section 125(1)(e) you are not eligible to file a declaration in respect of such an enquiry or investigation or audit.

Q12. I have been subjected to an enquiry or investigation or audit under indirect tax enactment and I want to make a voluntary disclosure regarding the same. Am I eligible for the Scheme?
Ans. No, you are not eligible to make a declaration under the voluntary disclosure category as per section 125(1)(f)(i).

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Q13. There is an apparent contradiction between the provisions of section 125(1)(f)(ii) and section 124(1)(c)(iii). Can you elaborate?
Ans. Section 125(1)(f)(ii) is an exception to voluntary disclosure category. In other words, a person having filed a return but has not deposited the duty/tax cannot make a voluntary disclosure in respect of the same since the liability already stands disclosed to the Department. On the other hand, section 124(1)(c)(iii) is a sub-set of the 'arrears' category, meaning thereby that in respect of such return a declaration can only be filed under the arrears category. As such, there is no contradiction between the two provisions.

Q14. I have filed an application in the Settlement Commission for settlement of the case. Am I eligible for the Scheme?
Ans. No, you are not eligible to file a declaration for a case which is still pending with the Settlement Commission.

Q15. I deal with the goods which are presently under Central Excise and are mentioned in the Fourth Schedule to the Central Excise Act, 1944. I want to make declarations with respect to these excisable goods. Am I eligible for the Scheme?
Ans. No, you are not eligible to avail the benefits under the Scheme.

Q16. How will I apply for the said Scheme?
Ans. All eligible persons are required to file an electronic declaration at the portal https://cbic-gst.gov.in in Form SVLDRS 1.

Q17. Will I get an acknowledgement for filing a declaration electronically?
Ans. Yes, on receipt of your declaration, an auto acknowledgement bearing a unique reference number will be generated by the system and sent to you. This unique number will be useful for all future references. The declaration will automatically be routed to the Designated Committee that will finalize your case.

Q18. How will I come to know about the final decision taken by the designated committee on my declaration?
Ans. Within sixty days of filing of a declaration, you will be informed electronically about the final decision taken in the matter.

Q19. What is the difference between 'Tax Dues' and 'Tax Relief'?
Ans. 'Tax Dues' is the total outstanding duty/tax demand. 'Tax Relief' is the concession the Scheme offers from the total outstanding duty demand.

Q20. A SCN has been issued to me for an amount of duty of Rs.1000 and an amount of penalty of Rs.100. In the Order in Original (OIO) the duty confirmedis of Rs.1000 and an

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amount of Rs.100 has been imposed as penalty. I have filed an appeal against this order before the Appellate Authority. What will be the tax dues for me?

Ans. The amount of duty which is being disputed is Rs.1000 and hence the tax dues will be Rs.1000.

Q21. A SCN has been issued to me for an amount of duty of Rs.1000 and an amount of penalty of Rs.100. In the OIO the duty confirmed is of Rs.900 and penalty imposed is Rs.90. I have filed an appeal against this order. The department has not filed any appeal in the matter. What would be the tax dues?

Ans. The amount of duty which is being disputed is Rs.900 and hence the tax dues are Rs.900.

Q22. A SCN has been issued for an amount of duty of Rs.1000 and an amount of penalty of Rs.100. In the OIO the duty confirmed is of Rs.900 and penalty imposed is Rs.90. I have filed an appeal against this order before the Appellate Authority. Further, Department has also filed an appeal before the Appellate Authority for an amount of duty of Rs.100 and penalty of Rs.10. What would be the tax dues?

Ans. The amount of duty which is being disputed is Rs.900 plus Rs.100 i.e. Rs.1000 and hence tax dues are Rs.1000.

Q23. A SCN has been issued for an amount of duty of Rs.1000. The Adjudicating Authority confirmed the duty of Rs.1000. I have filed an appeal against this order. The first appellate authority Commissioner Appeals/CESTAT reduced the amount of duty to Rs.900. I have filed a second appeal (before CESTAT/High Court. The department has not filed any appeal. What will be the tax dues for me?

Ans. The amount of duty which is being disputed is Rs.900 and hence the tax dues are Rs.900.

Q24. I have been issued a SCN under any of the indirect tax enactment on or before 30.06.2019, what will be the tax dues?

Ans. As per section 123(b), the tax dues will be the amount of duty/tax/cess stated to be payable in the SCN.

Q25. What is the coverage of SCNs under the Scheme with respect to main noticee vis-à-vis co-noticee particularly when the tax amount has already been paid by the main notices outside the Scheme?

Ans. In case of a SCN issued to an assessee demanding duty/tax and also proposing penal action against him as well as separate penal action against the co-noticee/s specified therein, if the main noticee has settled the tax dues, the co- noticee/s can opt for the Scheme for the waiver of penalty. For instance, the main noticee has settled the matter before the Settlement Commission and paid the dues and the co-noticees were not a party to the proceedings. In such a case, the co-noticees can file a declaration under the Scheme.

Q26. What is the scope of coverage of periodical SCNs under the Scheme?

Ans. Any SCN issued whether main or periodical, where the final hearing has not taken place on or before 30.06.2019 is eligible under the Scheme.

Q27. What are the benefits available under the Scheme?
Ans. The various benefits available under the Schemeare:

- Total waiver of interest and penalty
- Immunity from prosecution
- In cases pending in adjudication or appeal, a relief of 70% from the duty/tax demand if it is Rs. 50 lakhs or less and of 50%, if it ismore than Rs. 50 lakhs. The same relief is available for cases under enquiry, investigation and audit where the duty involved is quantified on or before 30.06.2019.
- In case of an amount in arrears, the relief is 60% of the confirmed duty/tax amount if the same is Rs. 50 lakhs or less and it is 40% in other cases.
- In cases of voluntary disclosure, the declarant will have to pay full amount of disclosed duty/tax.

Q28. Shall the pre-deposit paid at any stage of appellate proceedings and deposit paid during enquiry, investigation or audit be taken into account for calculating relief under the Scheme?
Ans. Yes, any amount paid as pre-deposit at any stage of appellate proceedings under the indirect tax enactment or as deposit during enquiry, investigation or audit, shall be adjusted while issuing the statement indicating the amount payable by the declarant.

Q29. Whether the declarant will be given an opportunity of being heard or not?
Ans. Yes, as per section 127(2) and (3), after the issue of the estimate, the Designated Committee shall give an opportunity of being heard to the declarant, if he so desires, in case of a disagreement.

Q30. What will be procedure and time period of payment to be made by the declarant?
Ans. The declarant shall pay electronically within 30 days of the statement issued by the Designated Committee, the amount payable as indicated therein.

Q31. What procedure will be followed for withdrawal of appeals where the person has filed a declaration under the Scheme?
Ans. Where the declarant has filed an appeal or reference against any order or notice giving rise to the tax dues, before the appellate forum, other than the Supreme Court or the High Court, then, such appeal or reference or reply shall be deemed to have been withdrawn.
In case of a writ petition or appeal or reference before any High Court or the Supreme Court,

the declarant shall file an application before such High Court or the Supreme Court for withdrawing the writ petition, appeal or reference and after its withdrawal with the leave of the Court, he shall furnish proof of such withdrawal to the Designated Committee.

Q32. Whether any certificate will be provided to declarant as proof to payment of dues?
Ans. Yes, on payment of the amount indicated in the statement and production of proof of withdrawal of appeal, wherever applicable, the Designated Committee shall issue a discharge certificate in electronic form, within 30 days of the said payment and production of proof, whichever is later.

Q33. Whether a calculation error in statement may be rectified or not?
Ans. Yes, within 30 days of the date of issue of a statement indicating the amount payable by the declarant, the Designated Committee may modify its order only to correct an arithmetical error or clerical error, which is apparent on the face of record, on such error being pointed out by the declarant or suo-motu.

Q34. What will be the benefits of discharge certificate issued under the Scheme?
Ans. Every discharge certificate issued under section 127 with respect to the amount payable under the Scheme shall be conclusive as to the matter and time period stated therein, and:

(a) the declarant shall not be liable to pay any further duty/tax, interest, or penalty with respect to the matter and time period covered in the declaration;

(b) the declarant shall not be liable to be prosecuted under the indirect tax enactment with respect to the matter and time period covered in the declaration; and

(c) no matter and time period covered by such declaration shall be reopened in any other proceeding under the indirect tax enactment.

Q35. Can I take input tax credit for any amount paid under the Scheme?
Ans. No.

Q36. Can I pay any amount under the Scheme through the input tax credit account under the indirect tax enactment or any other Act?
Ans. No.

Q37. Can I take a refund of an amount deposited under the Scheme?
Ans. No.

Q38. In cases where pre-deposit or other deposit already paid exceeds the amount payable

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as indicated in the statement of the designated committee, the difference shall be refunded or not?
Ans. No, it shall not berefunded.

Q39. Is there any benefit, concession or immunity for the declarant in any proceedings other than those in relation to the matter and time period to which the declaration has been made?
Ans. No.

Q40. Whether the discharge certificate under the Scheme would serve as immunity against issuance of any further SCN (i) for the same matter for a subsequent time period; or (ii) for a different matter for the same time period?
Ans. No, as per section 129 (2)(b), the issue of the discharge certificate with respect to a matter for a time period shall not preclude the issue of a SCN, (i) for the same matter for a subsequent time period; or (ii) for a different matter for the same time period.

Q41. What action would be taken against a declarant who makes falsevoluntary disclosure under the Scheme?
Ans. As per section 129(2)(c), in cases of voluntary disclosure, where any material particular furnished in the declaration is subsequently found to be false, within a period of one year of issue of the discharge certificate, it shall be presumed as if the declaration was never made and proceedings under the applicable indirect tax enactment shall be instituted.

Q42. Does intimation for audit received by the taxpayer prior to 30.06.2019 seeking details qualify for the Scheme?
Ans. No, if the duty/tax payable has not been quantified as on 30.06.2019 the taxpayer is not eligible to make a declaration regarding this audit under the Scheme.

Q43. I have received an intimation for audit, enquiry or investigation on or before 30.06.2019. Can I make a voluntary disclosure of my liability?
Ans. No.

Q44. Can taxpayer opt for the benefit under the Scheme in case of periodical notices without opting for it in respect of the main notice?
Ans. Yes.

Q45. If the main noticee avails benefit of the Scheme whether Directors whose appeals are pending in respect of penalty only get a waiver of the penalty?
Ans. Yes. Co-noticees cannot avail the benefits of the Scheme only till suchtime that the

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duty/tax demand has not been settled. Once the main noticee discharges the duty/tax demand, the co-noticees can apply under the Scheme.

Q46. If a person has been issued a SCN for a refund/ erroneous refund and, at the same time, he also has other outstanding disputes which are covered under this Scheme, then, will he be eligible to file a declaration(s) for the other case(s)?
Ans. Yes. The exception from eligibility is for 'the case' and not 'the person'.

Q47. If I file a declaration under the Scheme, will it be assumed that I have admitted to the position and agree with the allegations made in the show cause notice?
Ans. No. A declaration under the Scheme will not be a basis for assuming that the declarant has admitted the position and no fresh show cause notice will be issued merely on that basis.

Q48. With respect to penalty/late fee matters, whether only SCNs for late fee or penalty are covered under this Scheme or also such cases under appellate proceedings?
Ans. The Scheme is applicable to any SCN for penalty/late fee, irrespective of whether it is under adjudication or appeal.

Q49. I had made an application to the Settlement Commission for settlement of my case. However these proceedings abated due to rejection of the application by the Settlement Commission or other reason/s and the case went back to the adjudicating authority for further action. Can I avail the benefit of the Scheme with respect to this case?
Ans. Yes. A declaration under the Scheme can be made for a case which is no longer with the Settlement Commission if other conditions of the Scheme are satisfied.

Q50. I have filed a writ petition challenging the order of the Settlement Commission. Can I make a declaration under the Scheme with respect to this case?
Ans. Yes. A declaration can be filed under the Scheme if no application is pending before the Settlement Commission and the Writ Petition has not been heard finally on or before 30.06.2019.

Q51. With respect to cases under enquiry, investigation or audit what is meant by 'written communication' quantifying demand?
Ans. Written communication will include a letter intimating duty/tax demand or duty/tax liability admitted by the person during enquiry, investigation or audit or audit report etc.

Q52. I have already paid duty/tax by utilizing the input credit, and the matter is under dispute. Will this duty/tax already paid through input credit be adjusted against my duty/tax liability calculated under the Scheme?
Ans. Yes. In such cases, duty/tax already paid through input credit shall be adjusted by the

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Designated Committee at the time of determination of final amount payable under the Scheme.

Q53. Which is the Form through which I can make a declaration under the Scheme?
Ans. Form SVLDRS1 is the Form that has to be filled for making a declaration. The Form is required to be filled and submitted electronically and shall be available at the portal https://cbic-gst.gov.in

Q54. I do not agree with the estimate of the Designated Committee. Will I be given a personal hearing?
Ans. Yes. A date of personal hearing is intimated along with the estimate issued by the Designated Committee in Form SVLDRS2. Written submissions can be made, personal hearing can be waived, and one adjournment of the personal hearing can also be sought through Form SVLDRS 2A. These Forms are available at the portal https://cbic-gst.gov.in and are submitted electronically.

Q55. I have received a communication of the amount payable in Form SVLDRS3. How do I make the duty/tax payment?
Ans. A challan can be generated by a link provided in the Form SVLDRS3 issued by the department. Once the challan is generated, payment against the same can be made by the taxpayer.
Q56. How do I intimate the department about withdrawal of appeal by me?
Ans. Form SVLDRS3 provides a document upload facility for furnishing proof of withdrawal.

Q57. Are disputes pertaining to Cenvat credit covered under the Scheme?
Ans. Yes, they are included unless covered by a specific exclusion.

Q58. What happens if I do not make the payment of the amount specified in the statement within 30 days of its issue?
Ans. The declaration shall be treated as lapsed and benefits of the Scheme will no longer be available.

Q59. The amount quantified under an enquiry, investigation or audit on or before 30.06.2019 gets modified subsequently due to any reason. Will I still be eligible to file a declaration under the Scheme?
Ans. Only such cases of enquiry, investigation or audit are covered under the Scheme where the duty/tax demand has been worked out on or before 30.06.2019 but SCN has not been issued.

Q60. The duty demand in an SCN issued to me was dropped by the adjudicating authority.

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However, the department has filed an appeal. I have not filed any appeal in the matter. Will this case by eligible under the Scheme.
Ans. Yes.

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Chapter 15

Designated Committee

DIRECTORATE GENERAL OF SYSTEMS & DATA MANAGEMENT
CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS
4TH & 5TH Floor, Hotel Samrat, Chanakyapuri, New Delhi – 110021
Email : dg.sys@icegate.gov.inPhone : 011- 26877960 / Fax : 011-26877958

F.No :IV(33)/07/2019-System Date: 30.08.2019

SVLDRS ADVISORY No. 01/ 2019

Sir / Madam,

Subject : Assignment of permission set to designated Committee members by ACL Admin-regd.

As you may be aware, the 'Sabka Vishwas Legacy Dispute Resolution Scheme' will come into effect on 1st September 2019. There will be two Designated Committees in each Commissionerate to handle the declarations made under this scheme. Committee 1 consisting of Pr Commissioner/Commissioner and Additional/Joint Commissioner will be automatically assigned in the CBIC ACES-GST Application the declarations above the value of Rs 50 Lakhs. Committee 2 consisting of Additional/Joint Commissioner and Deputy/Assistant Commissioner will be automatically assigned in the CBIC ACES-GST Application the declarations equal to or below the value of Rs 50 Lakhs.

2. In this regard, the ACL Admin at Commissionerate level will be required to perform the following tasks and email compliance to dg.sys@icegate.gov.in, training@icegate.gov.in, dgschennai@icegate.gov.in :

(a) Forward the scanned copy of the Order(s) designating the Officers of their respective Commissionerate as members of Committees 1 and 2 and details as per the following format:

Name of the Commissionerate	Committee	Name of the Member	Designation	Email Id	Mobile Number	SSO ID
	Committee-1		Pr Commr. / Commr.			
			ADC/JC			
	Committee-2		ADC/JC			
			DC/AC			

(b) Committee-1 will handle the declarations above the value of Rs.50 Lakhs.
Committee-2 will handle the declarations equal to or below the value of Rs 50 Lakhs

(c) There will be Committee-wise two permission sets each, one for 'view' and the another for 'approving' the SVLDRS forms. (SVLDRS 2, 2B, 3 and 4 forms), as detailed below:

- Committee-wise Permission Sets will be enabled viz., Permission Set "View SVLDRS-Committee-1" and "View SVLDRS-Committee-2" in the application. Permission Sets "View SVLDRS-Committee-1" to be assigned to the Member(s) of Committee-1 and "View SVLDRS-Committee-2" to be assigned to the Members of Committee-2.

- Likewise, for Member of the Committees who need to approve SVLDRS, two Permission Sets will be enabled viz. 'Approve SVLDRS-Committee-1 ' and 'Approve SVLDRS-Committee-2' and these to be assigned to Officers of respective Committees.

- If an Officer is Member in both the Committees, two distinct Permission Sets should be given as per the responsibilities assigned to the said Member in each Committee.

3. The view of SVLDRS forms will be enabled for the Chief Commissioner and Officers of CCO (Zone Level) by INDIA ADMIN in the existing permission sets.

4. The ACL ADMIN at DGGI will assign the permission set to ADG Adjudication.

5. Compliance of user mapping / assignment of Permission Set(s) as instructed above, may be sent to the above mentioned email Ids, once over.

6. The ACL Admin may also check if all the concerned officers are mapped to the application and have active passwords and assist the officers to get their issues resolved like designation update, password reset etc. by approaching Saksham Seva helpdesk.

7. Any application related issues while processing the SVLDRS forms should be reported to cbicmitra.helpdesk@icegate.gov.in

This issues with the approval of ADG(ACES-GST), DG Systems, Delhi.

Yours faithfully,

30/8/19

(Ashwini Adivarekar)
Deputy Director (GST)

Copy to:

(1) All Pr. Chief Commissioners / Chief Commissioners of GST & Central Excise.
(2) All Pr. Commissioners / Commissioners of GST& Central Excise.

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Chapter 16

Snapshot of SVLDRS, 2019 in PPT

Overview of SVLDRS, 2019…

SABKA VISHWAS (Legacy Dispute Resolution) SCHEME, 2019

- ***Dispute resolution cum amnesty scheme for resolution and settlement of legacy cases***

- ***Scheme to be applicable for matter relating to-***
  - *Central Excise,*
  - *Service Tax, and*
  - *Specified cesses and taxes such as Salt Cess, Sugar Cess, Agricultural Produce Cess, etc. Covered around 22 Other various Acts.*

- ***Scheme not to be applicable for matter relating to-***
  - *Customs Duty and Allied Levies*
  - *NCCD levied on Excise Duty under the Finance Act, 2011*

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Overview of SVLDRS, 2019…

SABKA VISHWAS (Legacy Dispute Resolution) SCHEME, 2019

- ***Scheme available from 1st September – 31st December, 2019***

- ***Relief under Scheme:***
  - *Relief from payment of tax dues to the extent of 0% to 70% depending on the amount of tax dues involved.*
  - *No relief from tax dues in case of voluntary disclosure.*
  - *Relief from payment of interest, penalty and prosecution.*
  - *No reopening of matter and period covered under the Scheme .*

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Persons eligible for SVLDRS, 2019…

➢ **Any Person falling under following categories:**

1. *Who has cases under an **enquiry/ investigation** or **audit** pending and the amount of duty payable under any of the indirect tax enactment which has been quantified on or before the 30th day of June, 2019;*

***"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) requiring the production of accounts, documents or other evidence;

(iv) recording of statements;

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Persons eligible for SVLDRS, 2019…

➢ **Any Person falling under following categories:**

1. *Who has cases under an **enquiry/ investigation** or **audit** pending and the amount of duty payable under any of the indirect tax enactment which has been quantified on or before the 30th day of June, 2019;*

***"audit"** means any scrutiny, verification and checks carried out under the indirect tax enactment, other than an enquiry or investigation, and will commence when a written intimation from the central excise officer regarding conducting of audit is received;*

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Persons eligible for SVLDRS, 2019…

- ***Any Person falling under following categories:***

2. *Who has a show cause notice for duty or one or more appeals arising out of such notice pending and where the **final hearing** has not taken place as on 30.06.2019.*

3. *Who has been issued show cause notice for penalty and late fee only and where the **final hearing** has not taken place as on 30.06.2019.*

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Persons eligible for SVLDRS, 2019…

- ***Any Person falling under following categories:***

4. *Who has recoverable an **amount in arrears***

*"**amount in arrears**" means the amount of duty which is recoverable as arrears of duty under the indirect tax enactment, on account of—*

(i) no appeal having been filed by the declarant against an order or an order in appeal before expiry of the period of time for filing appeal; or

(ii) an order in appeal relating to the declarant attaining finality; or

(iii) the declarant having filed a return under the indirect tax enactment on or before the 30th day of June, 2019, wherein he has admitted a tax liability but not paid it;

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Persons eligible for the SVLDRS, 2019…

➢ ***Any Person falling under following categories:***

5. *Who want to make a **voluntary disclosure**.*

*Exclusion of following person making a **voluntary disclosure**,—*

(i) after being subjected to any enquiry or investigation or audit; or

(ii) having filed a return under the indirect tax enactment, wherein he has indicated an amount of duty as payable, but has not paid it;

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Cases ineligible for SVLDRS, 2019…

- ✓ *Cases in respect of excisable goods in the Fourth Schedule to CEA, 1944 (this includes tobacco and specified petroleum products)*
- ✓ *Cases for which the taxpayer has been convicted under the Central Excise Act, 1944 or the Finance Act, 1994*
- ✓ *Cases involving erroneous refunds*
- ✓ *Cases pending before the Settlement Commission*
- ✓ *Cases where an appeal filed before the appellate forum and such appeal has been heard finally on or before the 30th day of June, 2019;*
- ✓ *Cases where SCN issued and the final hearing has taken place on or before the 30th day of June, 2019;*
- ✓ *Cases subjected to an enquiry/investigation or audit and the amount of duty involved in the said enquiry/investigation or audit has not been quantified on or before the 30th day of June, 2019;*

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Cases ineligible for SVLDRS, 2019...

- *Cases in respect of excisable goods in the Fourth Schedule to CEA, 1944 (this includes tobacco and specified petroleum products)*
- *Cases for which the taxpayer has been convicted under the Central Excise Act, 1944 or the Finance Act, 1994*
- *Cases involving erroneous refunds*
- *Cases pending before the Settlement Commission*
- *Cases where an appeal filed before the appellate forum and such appeal has been heard finally on or before the 30th day of June, 2019;*
- *Cases where SCN issued and the final hearing has taken place on or before the 30th day of June, 2019;*
- *Cases subjected to an enquiry/investigation or audit and the amount of duty involved in the said enquiry/investigation or audit has not been quantified on or before the 30 day of June, 2019;*

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Relief available under SVLDRS, 2019...

Details	Amount	Relief
A. Tax dues* relatable to SCN or appeal arising out of such SCN which is Pending as on 30.06.2019 and the amount of duty* is	< 50 lakhs > 50 lakhs	70% of Tax dues 50% of Tax dues
B. Tax dues relatable to SCN for late fee or penalty only and the amount of duty has been paid or is nil	-	Entire amount of late fee or penalty
C. Tax Dues are relatable to amount in arrears* or Tax Dues are relatable to amount in arrears* and the declarant has indicated an amount of duty as payable but not paid it and the amount of duty involved is	< 50 lakhs > 50 lakhs	60% of Tax dues 40% of Tax dues

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Tele: 91-11-42427056; email: info@a2ztaxcorp.com; www.a2ztaxcorp.com

Relief available under SVLDRS, 2019...

Details	Amount	Relief
D. Tax dues are linked to an enquiry, investigation* or audit against the declarant and the amount quantified on or before 30th June	< 50 lakhs > 50 lakhs	70% of Tax dues 50% of Tax dues
E. Tax dues are on account of voluntary disclosure by the declarant	-	**No relief from tax dues**

- Relief from payment of interest and penalty
- Any amount paid as pre-deposit at any stage of appellate proceedings or as deposit during enquiry, investigation or audit will be deducted in computing the amount payable.
- No refund if pre-deposit/ deposit exceeds amount payable

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Meaning of Tax Dues...

S. No.	Scenario	Meaning of Tax Dues
A.	Where a single appeal arising out of order is pending as on 30.06.2019	Total amount of duty which is disputed
B.	Where more than one appeal arising out of an order, one by the decedent and other a departmental appeal where such an appeal has not been heard finally on or before 30.06.2019	Sum total of amount disputed by both decedent and department
C.	Where SCN has been received on or before 30.06.2019 If, SCN making jointly and severally liable	Amount of duty payable as per SCN Amount indicated in SCN as jointly & severally payable
D.	Where enquiry or investigation or audit is pending	Amount of duty payable which has been quantified on or before 30.06.2019

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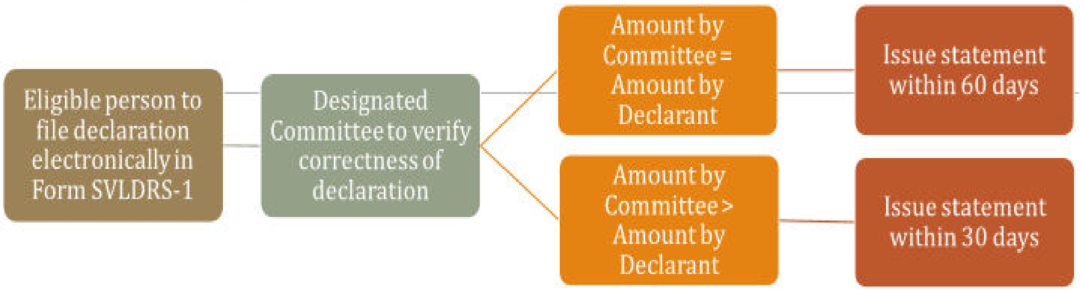
Procedure for declaration...



- Declaration shall be made on or before December 31st, 2019.
- A separate Declaration shall be filed for each case of:
  - A SCN/ one or more appeal arising out of such notice pending as on June 30th, 2019; or
  - An amount in arrears; or
  - An enquiry/ investigation/ audit where the amount is quantified on or before 30th day of June 2019
  - A voluntary disclosure

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Procedure under the Scheme...

- ✓ Statement by the Committee determining the estimate amount payable to be issued within 60 days from receipt of Declaration.
- ✓ Declarant shall make payment within 30 days of issuance of statement.
- ✓ Any appeal or reference or reply to SCN filed before the appellate forum (other than SC/HC) shall be deemed to have been withdrawn.
- ✓ In case of SC/HC, declarant shall file an application to SC/HC for withdrawal.
- ✓ Designated Committee shall issue discharge certificate within 30 days on full payment & on withdrawal of appeal/writ petition.

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Effect of Discharge Certificate…

- ✓ Discharge Certificate issued shall be conclusive as to matter and time period thereon.
- ✓ Declarant not liable to pay any further duty, interest and penalty w.r.t matter and time period covered in the declaration.
- ✓ Declarant shall not be liable to be prosecuted w.r.t matter and time period covered in the declaration.
- ✓ Matter and time period covered by declaration shall not be reopened in any other proceeding.
- ✓ Not to preclude issuance of SCN for the same matter for subsequent period, different matter for same period and in case of voluntary disclosure information furnished is found to be false.

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Other Important Conditions…

No ITC, Only Cash

Amount payable under this scheme shall be paid through cash only within a period of 30 days from the date of its issue (ITC cannot be utilized).

ITC not eligible

Amount paid under Scheme will not be eligible as ITC to any other person

No Refund

Amount shall not be refundable under any circumstances

Pre-Deposit adjustable but no refundable

Pre-deposit is deductible while computing the amount payable under the scheme.
Where pre-deposit exceeds the amount payable under the under the scheme, declarant is not entitled for refund.

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A2Z TAXCORP LLP
Tax and Law Practitioners

About us:

A2Z TAXCORP LLP is a boutique Indirect Tax firm having professionals from Multi disciplines which includes Goods and Services Tax (GST), Central Excise, Custom, Service Tax, VAT, DGFT, Foreign Trade Policy, SEZ, EOU, Export – Import Laws, Free Trade Policy etc.

Thanks & Best Regards,

Bimal Jain
FCA, FCS, LLB, B.Com (Hons)
Author of a book on Goods and Services Tax, titled, "GST Law and Analysis (with conceptual procedures) [5th Edition]
Email: bimaljain@a2ztaxcorp.com

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Video on overview of SVLDRS, 2019 by Mr. Bimal Jain:

Overview & Analysis of Sabka Vishwas Legacy Dispute Resolution Scheme 2019

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