



Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

September 2019

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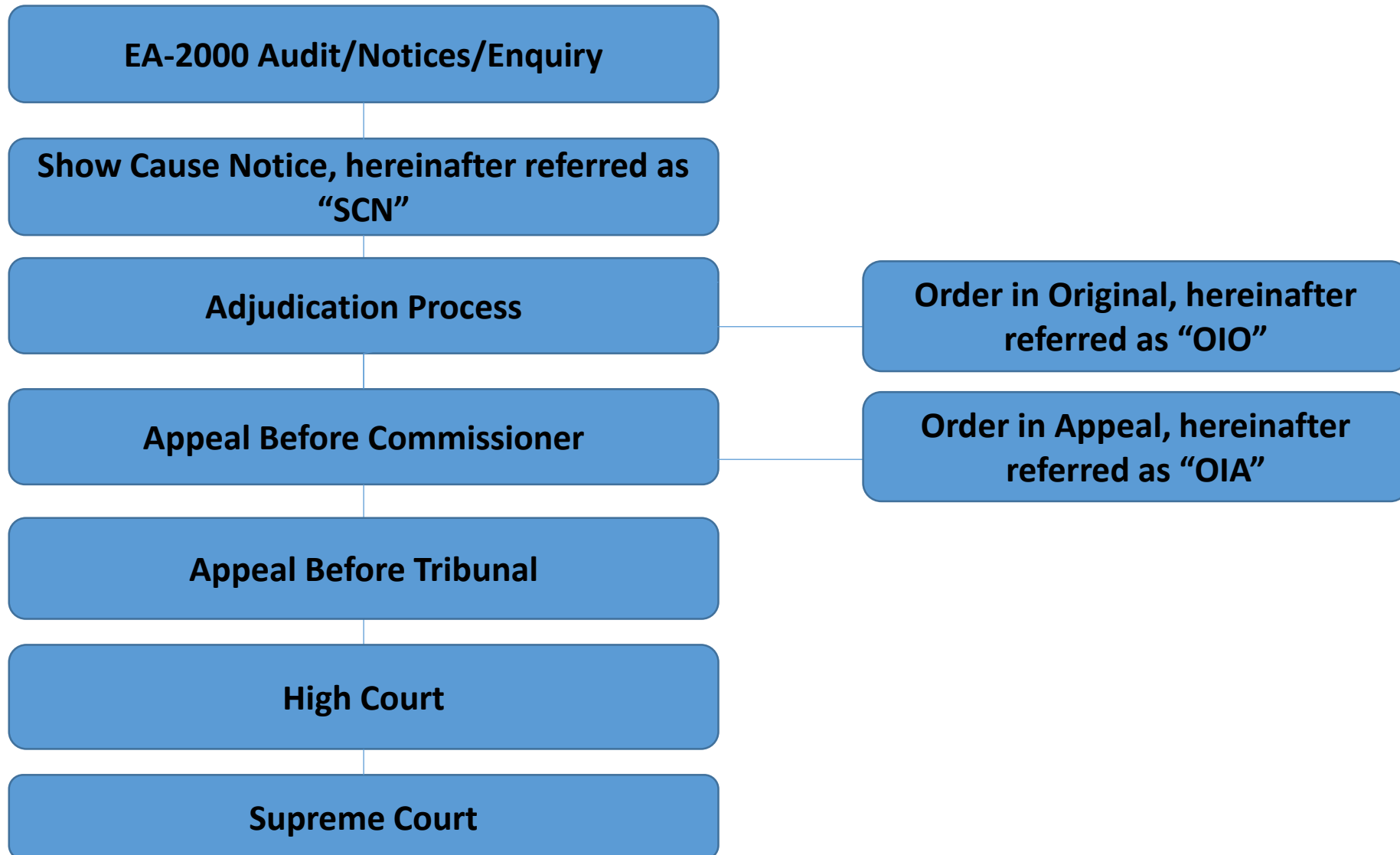


SABKA VISHWAS
(Legacy Dispute Resolution)
SCHEME, 2019
For Service Tax and Central Excise.
Make a New Beginning!

Introduction to the Scheme

- ✓ It was Introduced in the recent Union Budget in the month of July 2019.
- ✓ With reference to the scheme till date, the following notifications and circular are issued :
 - ❖ Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 vide Notification no. 04/2019 and 05/2019 Central Excise-NT dated 21.08.2019
 - ❖ Circular No. 1071/4/2019-CX.8, 1072/5/2019- CX. dated 27th August and 25th September, 2019
- ✓ This Scheme is already operational from 1st September, 2019 till 31st December, 2019.
- ✓ This Scheme covers disputes pending under Central Excise Act 1944, Central Excise Tariff Act, 1985, Finance Act and 26 more allied Acts.
- ✓ Customs Duty, Sales Tax, Central Sales Tax, VAT, Entertainment Tax, Octroi etc are not covered under this Scheme.

Litigation Process



Reliefs available under the Scheme

Sr. no	Level of Pendency	Duty/Tax/Cess amount involved	Relief in Duty/Tax/Cess available	Duty/Tax/Cess to be payable
1	Amount pending as dispute on account of SCN/ Appellate authority as on or before 30.06.2019	Upto Rs. 50 Lakhs	70%	30%
		Above Rs. 50 lakhs	50%	50%
2	Amount quantified in Audit/ Enquiry/ Investigation etc. on or before 30.06.2019	Upto Rs. 50 Lakhs	70%	30%
		Above Rs. 50 lakhs	50%	50%
3	Amount on account of arrears (where no further appeals filed or has attained finality)	Upto Rs. 50 Lakhs	60%	40%
		Above Rs. 50 lakhs	40%	60%
	Amount were assessed and declared as self-admitted liabilities but not paid on or before 30.06.2019	Upto Rs. 50 Lakhs	60%	40%
		Above Rs. 50 lakhs	40%	60%
4	If SCN issued is only for penalty/late fee/ personal penalty on directors etc. (relief available on fulfillment of certain condition)	Penalty/late fee	100%	NIL
5	Voluntary Disclosure	-	NIL	100%

Penalty, Interest and Fine are completely waived off in all the above mentioned scenario.

Benefits available under the Scheme

Total waiver of Interest, Penalty and Fine in all the mentioned scenarios;

Immunity from prosecution;

(If the matter is already confiscated then the same stands in the benefit of the Scheme)

No Re-opening of any matter after receiving discharge certificate, except in the case of Voluntary Disclosure by making false declaration.

Exclusions from the Scheme

- ✓ **Cases in respect of goods falling in the Fourth Schedule of the Central Excise Act, 1944 such as petroleum products and tobacco etc.**
- ✓ **Cases for which the taxpayer/noticee has already been convicted in a Court of law.**
- ✓ **Cases under adjudication or litigation where the final hearing has taken place on or before 30.06.2019 (order is awaited as on 30.06.2019)**
- ✓ **Cases of erroneous refunds.**
- ✓ **Cases which are pending before the Settlement Commission.**

Key Highlights of the Scheme

- ✓ **Tax already paid as pre-deposit or through input credit will be adjusted by the Designated Committee at the time of determination of the final amount payable.**
- ✓ **Co-noticees is eligible for the benefit of the scheme if the duty demand by the main noticee is settled.**
- ✓ **Proceedings under the Scheme shall not treated as a precedent for past and future liabilities.**
- ✓ **No final decision without an opportunity for personal hearing in case of any disagreement.**

Procedural Update

- ✓ **Fixed timelines for all process involved, so the entire procedure gets completed within 90 days.**
- ✓ **Final decision to be communicated within 60 days of application.**
- ✓ **Tax payer/Declarant shall pay the amount indicated in the declaration within 30 days, or else the declaration stands lapsed.**
- ✓ **Proceedings under the Scheme is fully automated.**

Thank You