SABKA VISHWAS
(LEGACY DISPUTE RESOLUTION)
SCHEME, 2019

Directorate General of Taxpayer Services
CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS
Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

Objectives

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

Cases covered under the Scheme

• A show cause notice or appeals arising out of a show cause notice pending as on the 30th day of June, 2019
• An amount in arrears
• An enquiry, investigation or audit where the amount is quantified on or before the 30th day of June, 2019
• A voluntary disclosure.

Exclusions from the Scheme

• Cases in respect of excisable goods set forth in the Fourth Schedule to the Central Excise Act, 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, 1944
• Cases involving erroneous refunds
• Cases pending before the Settlement Commission.

Benefits 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
• The same relief for cases under investigation and audit where the duty involved is quantified on or before 30th June, 2019
• In case of an amount in arrears, the relief offered is 60% of the confirmed duty amount if the same 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.

Other features of the Scheme

• Facility for adjustment of any deposits of duty already made
• Settlement dues to be paid in cash electronically only and cannot be availed as input tax credit later
• 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
• Proceedings under the Scheme shall not treated as a precedent for past and future liabilities
• Final decision to be communicated within 60 days of application
• No final decision without an opportunity for personal hearing in case of any disagreement
• Proceedings under the Scheme will be fully automated.