Issued in Public Interest

Office of the Commissioner of GST and Central Excise, Chennai Outer
Newry Towers, No.2054-I, 2nd Avenue, 12th Main Road,
Anna Nagar, Chennai – 600040
Email: gst.chennaiouter@gov.in

Goods and Services Tax
(Legacy Dispute Resolution)
Sabka Vishwas
(Scheme, 2019)

Not eligible for any tax relief, but relief available for interest and penalty.

No verification by designated Committee
Within one year, if found to be false, appropriate proceedings shall be initiated.

Voluntary disclosure under the scheme
Taxpayer cannot make a voluntary disclosure under this scheme after an enquiry or investigation or audit or for an amount declared as payable in a return filed consequent to such proceedings but not paid.

Remarks

Designated Committee and its role
Restrictions of the Scheme
Once Discharge Certificate Issued
After submission of declaration in electronic form by declarant, a designated committee shall verify correctness of declaration.

After verification of declared and estimated amount, a statement in electronic form will be issued within 60 days.

After hearing, an e-statement indicating the amount payable shall be issued within 60 days.

One Personal Hearing will be given before issuing statement of amount payable.

On payment and production of proof of withdrawal of appeal, the committee shall issue Discharge Certificate within 30 days.

The declarant shall pay online within 30 days.

™ Declarant not liable to pay any further duty, interest or penalty with respect to matter and time period covered.
™ Case shall not be reopened in any other proceeding under Indirect tax enactment.
™ If false declaration is made in voluntary disclosure, proceedings under applicable laws shall be started within a time limit of one year.

If you require further information and assistance on this matter or on any other matter concerning GST, please contact:
The Goods and Services Tax (GST) Helpdesk of GST and Central Excise, Chennai Outer located at its Anna Nagar Headquarters office either in person or by calling any of these numbers: 26142850, 26142851, 26142852 and 26142853 or by writing to Sevakendra-outer-tn@gov.in

Tax dues payable shall not be paid through input tax credit account.
Tax dues paid shall not be taken as input tax credit; or entitle any person to take input tax credit, as a recipient, of excisable goods or taxable services.
Tax dues paid shall not be refundable under any circumstances.
GST has just completed two years. An area that concerns me is that we have huge pending litigations from pre-GST regime. More than Rs.3.75 lakh crore is blocked in litigations in service tax and excise. There is a need to unload this baggage and allow business to move on. I, therefore, propose, a Legacy Dispute Resolution Scheme that will allow quick closure of these litigations. I would urge the trade and business to avail this opportunity and be free from legacy litigations.

Introduction

The Sabka Vishwas (Legacy Dispute Resolution) Scheme is a one time measure for liquidation of past disputes of Central Excise and Service Tax as well as to ensure disclosure of unpaid taxes by a person eligible to make a declaration. The Scheme shall be enforced by the Central Government from a date to be notified. It provides that eligible persons shall declare the tax dues and pay the same in accordance with the provisions of the Scheme. It further provides for certain immunities including penalty, interest or any other proceedings under the Central Excise Act, 1944 or Chapter V of the Finance Act, 1944 to those persons who pay the declared tax dues.

Objectives of the scheme

- To encourage voluntary disclosure of past disputes of Central Excise, Service Tax and 26 other Indirect Tax Enactments.
- To facilitate an eligible person to declare the unpaid tax dues and pay the same in accordance with the provisions of this scheme.
- To provide certain immunities, including Penalty, Interest or any other proceedings including prosecution, to eligible persons who pay the declared tax dues.
Introduction

The Sabka Vishwas (Legacy Dispute Resolution) Scheme is a one-time measure for liquidation of past disputes of Central Excise and Service Tax as well as to ensure disclosure of any tax liability which has been payable, but has not been paid. It aims to provide certain immunities, including Penalty, Interest and Late fee or penalty, to eligible persons who have been convicted under Excise and Service Tax enactments for any offence for the matter for which he intends to file a declaration.

Objectives of the scheme

The Scheme shall be enforced by the Central Government from a date to be notified. It provides that eligible persons shall declare the unpaid tax dues and pay the same in accordance with the provisions of the Scheme. It further provides for certain immunities. It may be noted that any appeal or investigation or audit which has been received by declarant before 30th June, 2019 then the amount of duty which has been quantified on or before 30th June, 2019 payable under any of the indirect tax enactment has been received by declarant on or before 30th June, 2019.

Any type of tax dispute in any appellate forum which is attaining finality and any appeal has been filed against the declarant.

Who is not eligible to make a declaration under the scheme?

- Tax dues where no appeal filed by the tax payer before expiry of the time period
- Admitted tax liability in a return filed on or before 30.06.2019
- Persons seeking to make a declaration with respect to excisable goods set forth in the Fourth Schedule to the Central Excise Act, 1944
- A person making a Voluntary Disclosure after being subjected to enquiry or investigation or audit; or having filed a return, wherein he has indicated an amount of duty as payable, but has not paid it
- Persons seeking to make a declaration with respect to excisable goods set forth in the Fourth Schedule to the Central Excise Act, 1944
- Any one already convicted under Indirect tax enactment for any offence for the matter for which he intends to file a declaration
- Any one already convicted under an SCN and final hearing already taken place on or before 30th June 2019
- Any one already convicted under an SCN and final hearing already taken place on or before 30th June 2019

Types of Disputes covered by this Scheme

- Tax dues where no appeal filed by the tax payer before expiry of the time period
- Any type of tax dispute in any appellate forum which is attaining finality
- Admitted tax liability in a return filed on or before 30.06.2019

Who is not eligible to make a declaration under the scheme?

- Who filed appeal before appellate forum and final hearing concluded on or before 30th June 2019
- Who have been issued an SCN for an erroneous refund
- Who have been subjected to enquiry or investigation or audit and amount of duty not quantified on or before 30th June 2019
- Who have filed an application in the Settlement Commission for settlement of a case
- Persons seeking to make a declaration with respect to excisable goods set forth in the Fourth Schedule to the Central Excise Act, 1944
- A person making a Voluntary Disclosure after being subjected to enquiry or investigation or audit; or having filed a return, wherein he has indicated an amount of duty as payable, but has not paid it
- Who have been convicted under Indirect tax enactments for any offence for the matter for which he intends to file a declaration
- Any one already convicted under an SCN and final hearing already taken place on or before 30th June 2019
### Relief available under this scheme

<table>
<thead>
<tr>
<th>Tax Dues</th>
<th>SCN or one or more appeals as on 30th June, 2019</th>
<th>Enquiry or Investigation or Audit quantified as on 30th June, 2019</th>
<th>An amount in arrears</th>
<th>Amount payable as per returns</th>
<th>SCN is for late fee or penalty only and duty is paid or Nil</th>
<th>Voluntary Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount upto Rs. 50 Lakh</td>
<td>70%</td>
<td>70%</td>
<td>60%</td>
<td>60%</td>
<td>Entire Fee or Penalty</td>
<td>Relief only for Fee or Penalty. No tax relief.</td>
</tr>
<tr>
<td>Amount above Rs. 50 Lakh</td>
<td>50%</td>
<td>50%</td>
<td>40%</td>
<td>40%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- In case a single appeal arising out of an order is pending as on 30th June, 2019 before the appellate forum, the total amount of duty which is being disputed in the said appeal.

- In case where more than one appeal arising out of an order, one by declarant and other being a departmental appeal, which are pending as on 30th June, 2019 before the appellate forum, the sum of the amount of duty disputed in declarant appeal and in deparmental appeal.

- Where a show cause notice under any indirect tax enactment has been received by declarant on or before 30th June, 2019 then the amount of duty stated to be payable by declarant in the said notice.

- Where any 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 30th June, 2019.

- Where the amount has been voluntarily disclosed by the declarant, then the total amount of duty stated in the declaration.

- Where an amount in arrears relating to declarant is due, the amount in arrears.
Remarks

Taxpayer cannot make a voluntary disclosure under this scheme after an enquiry or investigation or audit or for an amount declared as payable in a return filed consequent to such proceedings but not paid.

Designated Committee and its role

After submission of declaration in electronic form by declarant, a designated committee shall verify correctness of declaration.

After verification of declared and estimated amount, a statement in electronic form will be issued within 60 days.

After hearing, an e-statement indicating the amount payable shall be issued within 60 days.

One Personal Hearing will be given before issuing statement of amount payable.

The declarant shall pay online within 30 days.

On payment and production of proof of withdrawal of appeal, the committee shall issue Discharge Certificate within 30 days.

Not eligible for any tax relief, but relief available for interest and penalty

No verification by designated Committee

Within one year, if found to be false, appropriate proceedings shall be initiated

Certificate issued in Public Interest

Restrictions of the Scheme

Declarant not liable to pay any further duty, interest or penalty

Restrictions

Tax dues payable shall not be taken as input tax credit; or entitle any person to take input tax credit, or as a recipient, of excisable goods or taxable services.

Tax dues paid shall not be taken as input tax credit; or entitle any person to take input tax credit, or as a recipient, of excisable goods or taxable services.

Tax dues paid shall not be refunded under any circumstance.

If false declaration is made in voluntary disclosure, proceedings shall be initiated.

Case shall not be reopened in any other proceeding under Indirect tax enactment.

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