



VOLUNTARY DISPUTE RESOLUTION SCHEME

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The Finance Bill 2019 has introduced a voluntary dispute resolution scheme called as Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019 for resolution of the Legacy disputes under Central Excise, Service Tax etc.

The following is the summary of the payment required in case of different types of disputes:

Nature of dispute	Situation	Relief	Tax Dues	Payment required		
				Tax dues < = Rs. 50 lakhs	Tax dues > Rs. 50 lakhs	Interest, Penalty, Late Fees, Prosecution
Voluntary Disclosure through return or enquiry or investigation or audit	NA	No	NA	NA	NA	NA
A person is convicted of an offence under any IDT provision	NA	No	NA	NA	NA	NA
Filed an application in the Settlement Commission	NA	No	NA	NA	NA	NA
Show cause notice pending on 30th June 2019	Final hearing taken place on or before 30th June 2019	No	Amount as per notice	NA	NA	NA
	Final hearing not taken place on or before 30th June 2019	Yes		30% of tax dues	50% of tax dues	No payment required
	Notice for an erroneous refund	No		NA	NA	NA
	Late fees or penalty only stated in notice	Yes		NA	NA	Full late fees & penalty

Appeals pending on 30th June 2019	Final hearing taken place on or before 30th June 2019	No	1. Single appeal - Amount disputed 2. More than one - Sum of amount disputed by assessee and department	NA	NA	NA
	Final hearing not taken place on or before 30th June 2019	Yes		30% of tax dues	50% of tax dues	No payment required
Order in original or order in appeal passed and no appeal filed	Before expiry of time period for filing appeal	Yes	Entire amount as per the order	40% of tax dues	60% of tax dues	No payment required
	After expiry of time period for filing appeal	No		NA	NA	NA
In return, amount indicated as payable but not paid	NA	Yes	Unpaid amount	40% of tax dues	60% of tax dues	No payment required
Order in appeal attained finality	NA	Yes	Entire amount as per the order	40% of tax dues	60% of tax dues	No payment required
Enquiry, investigation or audit	Not quantified on or before 30th June 2019	No	NA	NA	NA	NA
	Quantified on or before 30th June 2019	Yes	Amount of duty payable	30% of tax dues	50% of tax dues	No payment required

The following are the major points with regard to the payment in this regard:

- Any amount paid as pre-deposit will be deducted when calculating the total amount to be paid under the amnesty scheme
- Where the pre-deposit already paid exceeds the amount payable under the dispute resolution scheme, no amount will be refunded
- Amount to be paid cannot be paid through input tax credit and needs to be paid through cash
- Amount paid cannot be refunded under any circumstances
- The amount paid under the scheme cannot be taken as input tax credit by the supplier or the recipient