



SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME 2019

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Welcome to A One Stop Solution for Liquidation of Past Dispute Resolutions and Tax Dues Amnesty for Assessee's having Central Excise & Service Tax Legacy Disputes from further proceedings and legal prosecutions providing Benefits under the Scheme with total waiver of Penalty, Late Fees and Tax Reliefs for Cases in Past Litigations, Appeal, SCN's, Enquiries, Investigations, Audit, Tax Arrears and Tax Payable in past Returns not Paid with Tax Dues Quantified.

Scheme Validity from 1st September 2019 to 31st December 2019

Benefits under the Scheme

- Cases Pending in Litigation, Appeal, SCN's, Enquiries, Investigations and Audit with Tax Dues Quantified.

	<u>Tax Payable</u>
(a) <u>Duty Less than INR 50.0 Lakhs</u>	30%
(b) <u>Duty Greater than INR 50.0 Lakhs</u>	50%
- Cases Pending in Tax Arrears and Tax Payable in Returns but not Paid

	<u>Tax Payable</u>
(a) <u>Duty Less than INR 50.0 Lakhs</u>	40%
(b) <u>Duty Greater than INR 50.0 Lakhs</u>	60%
- Cases with Show Cause Notices for Penalty and Late Fees Only
Tax Relief under the Scheme – 100%
- Voluntary Disclosures – Tax Payable – 100%
- 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.
- Resolving 1.5 Lakh Assessee's Under Litigations involving INR 3.75 Lakh Crores

Authors' Analytics

“GST Revenue Collection by the Government for the period from 1.4.2019 to 30.11.2019 is estimated at INR 8,05,166 Crores. The GST Revenue collections for the month of November 2019 is estimated at INR 1,03,492 crores, of which CGST is estimated at INR 19,592 crores, SGST at INR 27,144 crores, IGST collections is estimated at INR 49,028 crores which includes INR 20,948 crores on imports and Cess is estimated at INR 7,727 crores which includes INR 869 crores on imports as per Ministry of Finance Statements.

The GST Revenue collections for the month of September 2019 is estimated at INR 91,916 crores and INR 95,380 crores for the month of October 2019. The GST revenues has been INR 7,40,650 Crores for the period from 1.7.2017 to 31st March 2018 which improved to INR 11,77,369 Crores for the period from 1.4.2018 to 31.03.2019, an increase of INR 4,36,719 Crores by 58.96%.”

Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019

“Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019 has been introduced vide Financial Bill No. 2 Bill 2019 is a one time measure for liquidation of past disputes of Central Excise, Service Tax and 29 other indirect tax enactments. Our Finance Minister Smt. Nirmala Sitharaman, placed the finance budget on 5th of July 2019, which was the 1st Finance budget of this new Government, introduced a new amnesty scheme in the name of ‘Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019’.

Tax Dues for Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019:

- ✚ Where single appeal is pending as on 30.06.2019 – Total amount of duty disputed in appeal;
- ✚ Where More than one appeal is pending, arising out of single order (Incl. Dept. Appeal) as on 30.06.2019 – Total amount of duty disputed in both appeal;
- ✚ Where any SCN has been received on or before 30.06.2019 – the amount of duty stated to be payable is the said SCN;
- ✚ Where an enquiry or investigation or audit is pending against the declarant – the amount of duty payable which has been quantified on or before 30.06.2019;
- ✚ Where the amount has been voluntarily disclosed by the declarant – Total amount of duty stated in the declaration;
- ✚ Where an amount in arrears relating to the declarant is due, the amount in arrears.

Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019

<u>Sr. No.</u>	<u>Section</u>	<u>Particulars</u>
1.	120	Short Title and commencement
2.	121	Definitions
3.	122	Application of scheme to indirect tax enactments
4.	123	Tax Dues
5.	124	Relief available under scheme
6.	125	Declaration under scheme (Form SVLDRS-1) [Rule 3(1)]
7.	126	Verification of declaration by designated committee
8.	127	Issue of statement by designated committee - Form SVLDRS-2 [Rule 6(3)], Form SVLDRS-2A [Rule 6(4)], Form SVLDRS-2B [Rule 6(5)], Form SVLDRS-3 [Rule 6(2)] – Discharge Certificate u/s 137(8) Form SVLDRS 4 [Rule 9]
9.	128	Rectification of errors
10.	129	Issue of discharge certificate to be conclusive of matter and time period
11.	130	Restrictions of scheme
12.	131	Removal of doubts
13.	132	Power to make rules
14.	133	Power to issue orders, instructions, etc
15.	134	Removal of difficulties
16.	135	Protection to officers

Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 – Salient Features

[Central Board of Indirect Taxes and Customs (CBIC), Notification No. 05/2019 Central Excise-NT, New Delhi, the 21st August, 2019]

In exercise of the powers conferred by section 132(1) & (2) of the Finance (No. 2) Act, 2019 (23 of 2019), the Central Government has introduced the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019.

Rule 1:- Short Title and Commencement

Rule 2:- Definitions

Rule 2(a):- "Scheme"

Rule 2(b):- "Section"

Rule 2(c):- "Form"

Rule 3:- Form of declaration under section 125 – Form SVLDRS -1

Rule 4:- Auto acknowledgement (ARN)

Rule 5:- Constitution of designated committee

Rule 5(1):-

The designated committee under section 126 shall consist of -

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

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.

Rule 5(2):-

The members of the designated committee mentioned in Rule 5(1) (a) & (b) shall be nominated by the Principal Chief Commissioner or Chief Commissioner of Central Excise and Service Tax.

Rule 5(3):-

The members of the designated committee mentioned in Rule 5(1) (c) shall be nominated by Principal Director General or Director General, Directorate General of Good and Services Tax Intelligence (DGGI).

Rule 6:- Verification by designated committee and issue of estimate, etc.-

Rule 6(1) – Verification by Designated Committee

Rule 6(2):- Form SVLDRS-3

Rule 6(3):- Form SVLDRS-2

Rule 6(4):- Form SVLDRS-2A

Rule 6(5):- Form SVLDRS-2B

Rule 6(6):- Form SVLDRS-3

Rule 7

Form and manner of making the payment

Rule 8

Proof of withdrawal of appeal from High Court or Supreme Court

Rule 9

Issue of discharge certificate

Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019

Forms SVLDRS – 1, 2, 2A, 2B, 3 and 4

As per Notification No. 05/2019 Central Excise-NT, New Delhi, the 21st August, 2019 and as per G.S.R. 588(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 132 of the Finance (No. 2) Act, 2019 (23 of 2019), the Central Government hereby making the rules and forms annexed to the Rules as defined under Rule 2(c) of the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules 2019.

The Forms under the Scheme are as follows:

1. 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

2. 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

3. Form SVLDRS-2As

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

4. 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

5. 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

6. 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

Features of the Scheme

1. Facility for adjustment of any deposits of duty already made
2. Settlement dues to be paid in cash electronically only and cannot be availed as input tax credit later
3. 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
4. Proceedings under the Scheme shall not be treated as a precedent for past and future liabilities

5. Final decision to be communicated within 60 days of application
 6. No final decision without an opportunity for personal hearing in case of any disagreement
 7. Proceedings under the Scheme will be fully automated.
 8. Where single appeal is pending as on 30.06.2019 – Total amount of duty disputed in appeal;
 9. Where More than one appeal is pending, arising out of single order (Incl. Dept. Appeal) as on 30.06.2019 – Total amount of duty disputed in both appeal;
 10. Where any SCN has been received on or before 30.06.2019 – the amount of duty stated to be payable is the said SCN;
 11. Where an enquiry or investigation or audit is pending against the declarant – the amount of duty payable which has been quantified on or before 30.06.2019;
 12. Where the amount has been voluntarily disclosed by the declarant – Total amount of duty stated in the declaration;
 13. Where an amount in arrears relating to the declarant is due, the amount in arrears.
 14. Scheme shall be 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 (Service Tax), 1994 and the rules made thereunder;
 - (b) The Agricultural Produce Cess Act, 1940;
 - (c) The Coffee Act, 1942;
 - (d) The Mica Mines Labour Welfare Fund Act, 1946;
 - (e) The Rubber Act, 1947;
 - (f) The Salt Cess Act, 1953;
 - (g) The Medicinal and Toilet Preparations (Excise Duties) Act, 1955;
 - (h) The Additional Duties of Excise (Goods of Special Importance) Act, 1957;
 - (i) The Mineral Products (Additional Duties of Excise and Customs) Act, 1958;
 - (j) The Sugar (Special Excise Duty) Act, 1959;
 - (k) The Textiles Committee Act, 1963;
 - (l) The Produce Cess Act, 1966;
 - (m) The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
 - (n) The Coal Mines (Conservation and Development) Act, 1974;
 - (o) The Oil Industry (Development) Act, 1974;
 - (p) The Tobacco Cess Act, 1975;
 - (q) The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976;
 - (r) The Bidi Workers Welfare Cess Act, 1976;
 - (s) The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978;
 - (t) The Sugar Cess Act, 1982;
 - (u) The Jute Manufacturers Cess Act, 1983;
 - (v) The Agricultural and Processed Food Products Export Cess Act, 1985;
 - (w) The Spices Cess Act, 1986;
 - (x) The Finance Act, 2004, 2007, 2015, 2016;
 - (y) Any other Act, as the Central Government may, by notification in the Official Gazette, specify.
 15. Voluntary Disclosure under this scheme:-
 - ✚ 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
 - ✚ The Supplier or Dealer or Person cannot make a voluntary disclosure after an enquiry or investigation or for an amount declared as payable in a return filed consequent to such proceedings.
 16. The Relief in the Scheme calculated shall be subject to the condition that any amount paid as pre-deposit 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 is greater than the amount payable, the declarant shall not be entitled to any refund.
- Restrictions:-
- (a) Shall not be paid through the input tax credit account.
 - (b) Shall not be taken as input tax credit; or entitle any person to take input tax credit, as a recipient, of the excisable goods or taxable services.
 - (c) Shall not be refundable under any circumstances.

17. Tax Dues, under the Scheme shall be the disputed tax amount quantified and payable.

18. Verification of Declaration:-

- (a) A declaration in electronic form
- (b) A designated committee shall verify correctness
- (c) When amount declared = Estimated Amount, a statement in electronic form shall be issued within 60 days
- (d) When Estimated Amount is greater than the Amount declared by the declarant, an estimate of payment shall be issued within 30 days.
- (e) One Personal Hearing will be given, before issuing statement of amount payable.
- (f) After hearing the declarant, an e-statement indicating amount payable shall be issued within 60 days.
- (g) The declarant shall pay online within 30 days.
- (h) On payment and production of proof of withdrawal of appeal, the committee shall issue Discharge Certificate within 30 days.
- (i) Within 30 days of Issuance of Discharge Certificate, the committee can modify its order only to correct an arithmetical error or clerical error.

19. After Issuance of Discharge Certificate:-

- (a) Not be liable to pay any further duty, interest or penalty with respect to the matter and the time period covered.
- (b) Not be liable to be prosecuted under the Indirect Tax enactment.
- (c) Shall not be reopened in any other proceeding under the Indirect Tax enactment.
- (d) If false declaration is made in voluntary disclosure, proceedings under the applicable laws shall be started within a time-limit of one year.

20. 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. In other cases of DGGI, wherein the SCN that has been issued covers more than one commissionerate, a Common Adjudicator will be appointed under the intimation to the Chief Commissioner concerned & DG Systems.

21. There should be two Designated Committees of two officers each in a commissionerate to process the declaration received therefrom (Audit Commissionerates), Designated Committee have been set up based on the amount of tax dues before tax relief as per Rule 5(1)(a) of the Scheme Rules 2019.

22. Where Duty payable as determined by the Designated Committee comes to be more or less than the amount declared by the taxpayer, there will be no change in the composition of the Designated Committee.

23. Members of the Committee will be nominated by the Jurisdictional Principal Director General or Director General, DGGI. Designated Committee will be prompt in decision making by consensus and the senior officer in the committee will take lead to ensure the same.

24. All such persons who are eligible under the Scheme will be required to file an electronic declaration at the portal <https://cbic-gst.gov.in> in Form SVLDRS 1.

25. On receipt of declaration, an auto acknowledgement bearing a unique reference number will be generated by the system. 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.

26. Within sixty days of filing of a declaration, a person will be informed electronically about the final decision taken in the matter by the designated committee.

27. A date of personal hearing is intimated along with the estimate issued by the Designated Committee in Form SVLDRS 2. 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.

28. 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.

29. Form SVLDRS3 provides a document upload facility for furnishing proof of withdrawal.

30. Disputes pertaining to Cenvat credit are covered under the Scheme, unless covered by a specific exclusion.

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

Section 129 [Rule 9] [Form SVLDRS-4]

(1) Every discharge certificate issued under section 126 with respect to the amount payable 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 29 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 29 indirect tax enactment

(2) Notwithstanding section 129(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 29 indirect tax enactment shall be instituted.

Others

SVLDRS adhoc report ‘Zone wise Category wise number of applications submitted and amount ‘Tax dues less Tax Relief’ is being communicated daily to all Chief Commissioner’s office and designated committee members.

[Directorate General of Systems & Data Management Central Board of Indirect Taxes & Customs Department of Revenue, Ministry of Finance]