

BRIEF NOTE

Indirect Tax Dispute Resolution Scheme, 2016

- The Indirect Tax Resolution Scheme, 2016 has been made operational by Chapter XI, comprising of Section 212-218 of the Finance Act, 2016.
- The Rules as required for implementation of the Scheme have been notified by Notification No 29/2016-CE(NT) dated 31st May, 2016.
- Scheme is now open for declaration to Taxpayers from 1st June 2016 and shall remain open for declaration upto 31st December, 2016.

Scope of the Scheme

- Any person whose appeal in any matter was pending before the Commissioner (Appeal) on 1st March 2016 can make declaration under this scheme.
- There is no restriction on the number of declarations a person can make. In respect of every appeal pending before Commissioner (Appeal) as on 1st March 2016 declaration can be made i.e. if a person has ten appeals pending before the Commissioner (Appeals) either in the same jurisdiction or in different jurisdictions then he can make 10 declarations or as many cases declarations as he wishes to make. (There are certain category of cases which are excluded from this scheme, such as preventive, anti smuggling and anti evasion cases)
- Declaration made shall be acknowledged by the Designated Authority i.e. Assistant Commissioner specified by the jurisdictional Commissioner and the declarant shall be asked to pay the amounts due from him i.e. duty demanded + interest + 25% of the penalty imposed.
- Once the payment is made and intimated to the designated authority, the designated authority will issue an order settling the case and granting immunity to the declarant from all proceeding pertaining to that case that can be initiated under the indirect tax Acts (Indirect Tax Acts mean Customs Act, 1962, Central Excise Act, 1944 and Chapter V of Finance Act, 1994).
- The Appeals settled under these provisions shall not create a binding precedence.

Note: For details, the aforesaid provisions of the Finance Act, 2016 & Notification No 29/2016- CE(NT) dated 31st May, 2016 may be referred to.