

THE POWER OF BEING UNDERSTOOD

www.rsmindia.in

Newsflash: Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

1.0 Background

In the Union Budget 2019-2020, the Hon'ble Finance Minister announced the Sabka Vishwas - Legacy Dispute Resolution Scheme, 2019. The Scheme has now been notified and will be operationalized from 1 September 2019. The Scheme would continue till 31 December 2019. The Government expects the Scheme to be availed by large number of taxpayers for closing their pending disputes relating to legacy Service Tax and Central Excise cases that are now subsumed under GST so that they can focus on GST.

2.0 Highlights of the scheme

2.1 Cases covered under the scheme

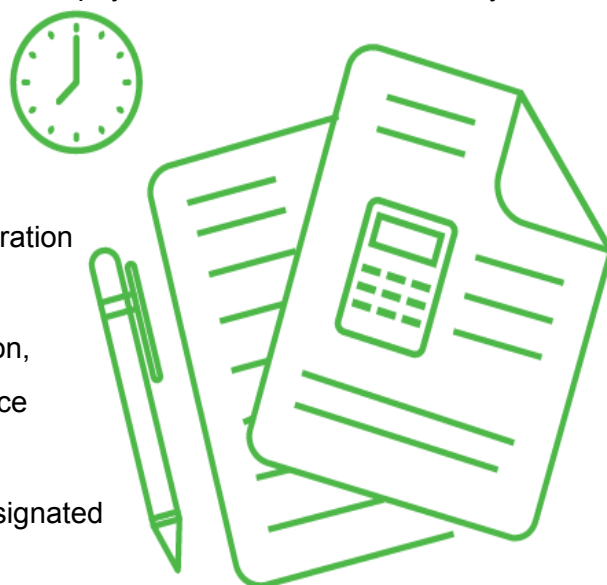
- A show Cause Notice or Appeals arising out of a show cause notice pending as on the 30th June 2019
- An amount in arrears
- An enquiry, investigation or audit where the amount is quantified on or before the 30th June 2019
- A voluntary disclosure

2.2 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 Rs.50 lakhs 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 30 June 2019.
- In case of an amount in arrears, the relief offered is 60% of the confirmed duty amount if the same is Rs.50 Lakh or less and it is 40% in other cases.
- In case of voluntary disclosure, the declarant will have to pay full amount of disclosed duty.

3.3 Procedural Aspects

- **Form of Declaration** – The declaration shall be made electronically at <https://cbic-gst.gov.in> in Form SVLDRS-1 by the declarant. A separate declaration shall be filed for each case.
- **Auto Acknowledgement** – On receipt of declaration, an auto acknowledgement bearing a unique reference number shall be generated by the system.
- **Constitution of Designated Committee** – The designated committee shall be constituted for the said purpose.
- **Verification by designated committee and issue of estimate, etc: –**
 - The declaration, except when it relates to case of voluntary disclosure of an amount of duty,



shall be verified by the designated committee based on particulars furnished by declarant as well as records available with the Department.

- The statement shall be issued by the designated committee electronically within a period of 60 days from the date of receipt of the declaration in Form SVLDRS-3 setting forth therein the particulars of amount payable. No such statement shall be issued in a case where the amount payable, as determined by the designated committee is NIL and there is no appeal pending in a High Court or the Supreme Court.
 - Where the amount estimated to be payable by the declarant exceeds the amount declared by the declarant, then, the designated committee shall electronically issue within 30 days of the date of receipt of the declaration in Form SVLDRS-2, an estimate of the amount payable by the declarant along with a notice of opportunity of personal hearing.
 - In case the declarant wants to indicate agreement or disagreement with the estimate or wants to make written submissions or waive personal hearing or seek adjournment, he shall file electronically Form SVLDRS-2A indicating the same. If no such agreement or disagreement is indicated till the date of personal hearing and the declarant does not appear before the designated committee for hearing, the committee shall decide the matter based upon available records.
 - On receipt of request for an adjournment the committee may grant the same electronically in Form SVLDRS-2B. In case the declarant does not appear before the committee for hearing after adjournment the matter shall be decided based upon available records.
 - Within 30 days of issue of Form SVLDRS-3 the designated committee may modify its order only to correct an arithmetical error or clerical error, which is apparent on the face of record, on such error being pointed out by declarant or suo moto by issuing electronically a revised Form SVLDRS-3.
- **Form and manner of making the payment** – Every declarant shall pay electronically the amount, as indicated in Form SVLDRS-3 issued by the designated committee, within a period of 30 days from the date of its issue.
 - **Proof of withdrawal of appeal from High Court or Supreme Court** – Proof of withdrawal of appeal or writ petition or reference before a High Court or the Supreme Court, as the case may be shall be furnished electronically by the declarant.
 - **Issue of discharge certificate** – The committee on being satisfied that the declarant has made the payment in terms of Form SVLDRS-3, and on submission of proof of withdrawal of appeal or writ petition, shall issue electronically in Form SVLDRS-4 a discharge certificate within 30 days of said payment and submission of said proof, whichever is later.

Where Form SVLDRS-3 has not been issued by the committee (cases where amount payable by designated committee is NIL and there is no appeal pending in High Court or the Supreme Court), the discharge certificate shall be issued within 30 days of the filing of declaration.

(Notification No.4/2019 Central Excise (NT) and 5/2019 Central Excise (NT) both dated 21 August 2019)

For further information please contact:

RSM Astute Consulting Pvt. Ltd.

13th Floor, Bakhtawar, 229, Nariman Point, Mumbai -

T: (91-22) 6108 5555 / 6121 4444

F: (91-22) 6108 5556 / 2287 5771

E: emails@rsmindia.in

W: www.rsmindia.in

Offices: Mumbai, New Delhi - NCR, Chennai, Kolkata, Bengaluru, Surat, Hyderabad, Ahmedabad, Pune, Gandhidham, and Jaipur.



facebook.com/RSMInIndia



twitter.com/RSM_India



linkedin.com/company/rsm-india

RSM Astute Consulting Pvt. Ltd. (Including its affiliates) is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ .

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

This newsflash is general in nature. A dispute resolution cum amnesty scheme called "Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019" (SVS – 2019) was announced in the Union Budget 2019-2020, by the Hon'ble Finance Minister. The Scheme has now been notified and will be operationalized from 1 September 2019. The Scheme would continue till 31 December 2019. In this newsflash, we have summarized the highlights of the said scheme. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said notification and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

26 August 2019.