

# Direct Tax Vivad se Vishwas Bill

July 23, 2020

## Objective:

In essence, the Bill is aimed at resolving direct tax-related disputes in a speedy manner. The Vivad se Vishwas Scheme is to do for direct tax-related disputes exactly what Sabka Vishwas did for indirect tax-related disputes.

## Why need such a scheme?

- At present, there are as many as 4,83,000 direct tax cases pending in various appellate forums i.e. Commissioner (Appeals), ITAT, High Court and Supreme Court.

## What are the specifics of the scheme?

- A taxpayer would be required to pay **only the amount of the disputed taxes** and **will get a complete waiver of interest and penalty** provided he pays by 31st March 2020. (Recently, there has been relaxation in this provision → if the current status of the court's decision is in the favor of the taxpayer, he will only have to pay 50 per cent of the amount now and the rest after the entire proceeding is over, instead of full settlement at once)
- However, the scheme will remain open only till June 30, 2020.
- The scheme also applies to all case appeals that are pending at any level.
- 10% extra charge will be applicable for settling the dispute from 1 April 2020