

Sabka Vishwas (Legacy Dispute Resolution) scheme-2019

December 13, 2019

Source: PIB & Central Board of Indirect Taxes

Finance Minister had unveiled the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 with the **objective of settling pending disputes of Service Tax and Central Excise in the budget. The scheme applies to 26 enactments, for example, The Agricultural Produce Cess Act, 1940 and The Finance Act, 2016 etc.**

Aim

The aim of Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 is to help taxpayers, including small taxpayers, in clearing the baggage of disputes under legacy taxes (Service Tax and Central Excise), which are subsumed in Goods and Service Tax.

Components

The main components of the Scheme are **dispute resolution and amnesty**

Duration of the scheme

The scheme has been notified by the CBIC to come into force on the 1st of September, 2019, and shall be operational until the 31st of December, 2019.

Benefits under the scheme

The various benefits available under the Scheme are:

- Total waiver of interest and penalty
- Immunity from prosecution
- In cases pending in adjudication or appeal, a relief of

70% from the duty/tax demand if it is Rs. 50 lakhs or less and of 50%, if it is more than Rs. 50 lakhs. The same relief is available for cases under enquiry, investigation and audit where the duty involved is quantified on or before 30.06.2019.

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