



**SABKA VISHWAS**  
(Legacy Dispute Resolution)  
**SCHEME, 2019**  
For Service Tax and Central Excise  
*Make a New Beginning!*

# FAQs

## **SABKA VISHWAS**

### **(LEGACY DISPUTE RESOLUTION)**

## **SCHEME, 2019**



Directorate General of Taxpayer Services  
**CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS**



# FAQs

## Sabka Vishwas

### (Legacy Dispute Resolution) Scheme, 2019



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#### Q 1. Who is eligible to file declaration under the SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019?

- Ans. Any person falling under the following categories is eligible, subject to other conditions under the Scheme, to file a declaration:
- Who has a show cause notice for duty or one or more appeals arising out of such notice pending and where the final hearing has not taken place as on 30.06.2019.
  - Who has been issued show cause notice for penalty and late fee only and where the final hearing has not taken place as on 30.06.2019.
  - Who has recoverable arrears pending.
  - Who has cases under investigation and audit where the duty involved has been quantified and communicated to party or admitted by him in a statement on or before 30th June, 2019.
  - Who want to make a voluntary disclosure.

#### Q 2. What are the acts covered under the Scheme?

- Ans. This Scheme is applicable to the following enactments, namely:-
- The Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or Chapter V of the Finance Act, 1994 and the rules made thereunder;
  - The following Acts, namely:-

- The Agricultural Produce Cess Act, 1940;
- The Coffee Act, 1942;
- The Mica Mines Labour Welfare Fund Act, 1946;
- The Rubber Act, 1947;
- The Salt Cess Act, 1953;
- The Medicinal and Toilet Preparations (Excise Duties) Act, 1955;
- The Additional Duties of Excise (Goods of Special Importance) Act, 1957;
- The Mineral Products (Additional Duties of Excise and Customs) Act, 1958;
- The Sugar (Special Excise Duty) Act, 1959;
- The Textiles Committee Act, 1963;
- The Produce Cess Act, 1966;
- The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
- The Coal Mines (Conservation and Development) Act, 1974;
- The Oil Industry (Development) Act, 1974;
- The Tobacco Cess Act, 1975;
- The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976;
- The Bidi Workers Welfare Cess Act, 1976;
- The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978;
- The Sugar Cess Act, 1982;
- The Jute Manufacturers Cess Act, 1983;
- The Agricultural and Processed Food Products Export Cess Act, 1985;
- The Spices Cess Act, 1986;
- The Finance Act, 2004;
- The Finance Act, 2007;
- The Finance Act, 2015;
- The Finance Act, 2016;

- Any other Act, as the Central Government may, by notification in the Official Gazette, specify.



#### Q 3. If an enquiry or investigation or audit has started but the tax dues have not been quantified whether the person is eligible to opt for the scheme?

Ans. No. If an audit, enquiry or investigation has started, and the amount of duty payable has not been quantified on or before 30<sup>th</sup> June, 2019, the person shall not be eligible to opt for the scheme.

#### Q 4. If a SCN covers multiple issues, whether the person can file an application under the scheme for only few issues covered in the SCN?

Ans. No. A person has to file declaration for entire amount of tax dues as per the SCN.

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**Q 5. What is the scope of tax relief covered under section 124(1) (b) with respect to SCN for late fee and penalty only where the amount of duty in the said notice has been paid or is nil?**

Ans. The tax relief shall be the entire amount of late fee or penalty.

**Q 6. I have filed an appeal before the appellate forum (Commissioner (Appeals) /CESTAT) and such appeal has been heard finally on or before the 30<sup>th</sup> day of June, 2019. Am I eligible for the scheme?**

Ans. No, you are not eligible in view of section 125(1) (a) of the said Scheme.

**Q 7. What is the scope under the scheme when adjudication order determining the duty/tax liability is passed and received prior to 30.06.2019, but the appeal is filed on or after 01.07.2019?**

Ans. No, such a person shall not be eligible to file a declaration under the Scheme.

**Q 8. I have been convicted for an offence punishable under a provision of the indirect tax enactment. Am I eligible for the Scheme?**

Ans. A person who has been convicted for any offence punishable under any provision of the indirect tax enactment for the matter for which he intends to file a Declaration shall not be eligible to avail the benefits under the Scheme.

**Q 9. I have been issued a SCN, under indirect tax enactment and the final hearing has taken place on or before the 30<sup>th</sup> day of June, 2019. Am I eligible for the Scheme?**

Ans. No, you are not eligible as per section 125(1) (c) of the Scheme.

**Q 10. I have been issued a SCN under indirect tax enactment for an erroneous refund or refund. Am I eligible for the scheme?**

Ans. No, you are not eligible as per section 125(1)(d) of the Scheme.

**Q 11. I have been subjected to an enquiry or investigation or audit under indirect tax enactment and the amount of duty involved in the said enquiry or investigation or audit has not been quantified on or before the 30<sup>th</sup> day of June, 2019. Am I eligible for the Scheme?**

Ans. No, you are not eligible as per section 125(1) (e) of the Scheme.

**Q 12. I have been subjected to an enquiry or investigation or audit under indirect tax enactment and I want to make a voluntary disclosure regarding the same. Am I eligible for the Scheme?**

Ans. No, you are not eligible as per section 125(1) (f) (i) of the Scheme.

**Q 13. I want to make a voluntary disclosure after having filed a return under the indirect tax enactment, wherein I have indicated an amount of duty as payable but the same has not been paid. Am I eligible for the Scheme?**

Ans. You cannot make a voluntary disclosure in such a case. However, you can still file a Declaration under Section 125(1) (f)(ii).

**Q 14. I have filed an application in the Settlement Commission for settlement of the case. Am I eligible for the Scheme?**

Ans. No, you are not eligible to file a Declaration for a case for which you have filed an application in the Settlement Commission.

**Q 15. I deal with the goods which are presently under Central Excise and is mentioned in the Fourth Schedule to the Central Excise Act, 1944. I want to make declarations with respect to those excisable goods. Am I eligible for the scheme?**

Ans. No, you are not eligible to avail the benefits under the Scheme.

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**Q 16. How will I apply for the said scheme?**

Ans. 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>

**Q 17 Will I get an acknowledgement for filing a declaration electronically?**

Ans. Yes, 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.

**Q 18. How will I come to know about the final decision taken by the designated committee on my declaration?**

Ans. Within sixty days of filing of a declaration, you will be informed electronically about the final decision taken in the matter.

**Q 19. What is the difference between 'Tax Dues' and 'Tax Relief'?**

Ans. 'Tax Dues' is the total outstanding duty demand. 'Tax Relief' is the concession the Scheme offers from the total outstanding duty demand.

**Q 20. A SCN has been issued to me for an amount of duty of ₹ 1000 and an amount of penalty of ₹ 100. In the Order in Original (OIO) the duty confirmed is of ₹ 1000 and an amount of ₹ 100 has been imposed as penalty. I have filed an appeal against this order before the Appellate Authority. What will be the tax dues for me?**

Ans. The amount of duty which is being disputed is ₹ 1000 and hence the tax dues will be ₹ 1000.

**Q 21. A SCN has been issued to me for an amount of duty of ₹ .1000 and an amount of penalty of ₹ 100. In the OIO the duty confirmed is of ₹ 900 and penalty imposed is ₹ 90. I have filed an appeal against this order. The department has not filed any appeal in the matter. What would be the tax dues?**

Ans. The amount of duty which is being disputed is ₹ 900 and hence the tax dues are ₹ 900.

**Q 22. A SCN has been issued for an amount of duty of ₹ 1000 and an amount of penalty of ₹ 100. In the OIO the duty confirmed is of ₹ 900 and penalty imposed is ₹ 90. I have filed an appeal against this order before the Appellate Authority. Further, Department has also filed an appeal before the Appellate Authority for an amount of duty of ₹ 100 and penalty of ₹ 10. What would be the tax dues?**

Ans. The amount of duty which is being disputed is ₹ 900 plus ₹ 100 i.e. ₹ 1000 and hence tax dues are ₹ 1000.

**Q 23. A SCN has been issued for an amount of duty of ₹ 1000. The Adjudicating Authority confirmed the duty of ₹ 1000. I have filed an appeal against this order. The first appellate authority Commissioner Appeals/CESTAT reduced the amount of duty to ₹ 900. I have filed a second appeal (before CESTAT/High Court. The department has not filed any appeal. What will be the tax dues for me?**

Ans. The amount of duty which is being disputed is ₹ 900 and hence the tax dues are ₹ 900.

**Q 24. I have been issued a SCN under any of the indirect tax enactment on or before the 30<sup>th</sup> June, 2019, what will be the tax dues?**

Ans. As per section 123(b), the tax dues will be the amount of duty/tax/cess stated to be payable in the SCN.

**Q 25. I have been issued a SCN, wherein other persons apart from me are jointly and severally liable for an amount, then, what would be the tax dues?**

Ans. As per section 123(b), the amount indicated in the SCN as jointly and severally payable shall be taken to be the tax dues payable by you.

**Q 26. What is the coverage of SCNs under the Scheme with respect to main noticee vis-à-vis co-noticee particularly when the tax amount is paid?**

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Ans. In case of a SCN issued to an assessee demanding duty and also proposing penal action against him as well as separate penal action against the co-noticee/s specified therein, if the main noticee has settled the tax dues, the co-noticee/s can opt for the scheme for the waiver of penalty.

#### Q 27. What is the scope of coverage of periodical SCNs under the scheme?

Ans. Any SCN whether main or periodical, issued and where the final hearing has not taken place on or before 30.06.2019 is eligible under the Scheme.

#### Q 28. What are the benefits available under the Scheme?

Ans. The various benefits available under the Scheme are:

- Total waiver of interest, penalty and fine in all cases
- Immunity from prosecution
- In cases pending in adjudication or appeal, a relief of 70% from the duty demand if it is ₹ 50 Lakh or less and 50%, if it is more than ₹ 50 Lakh. The same relief is available for cases under investigation and audit where the duty involved is quantified on or before 30<sup>th</sup> June, 2019.
- In case of an amount in arrears, the relief is 60% of the confirmed duty amount if the same is ₹ 50 Lakh or less and it is 40% in other cases.
- In cases of voluntary disclosure, the declarant will have to pay full amount of disclosed duty.

#### Q 29. Shall the pre deposit paid at any stage of appellate proceedings and deposit paid during enquiry, investigation or audit be taken into account for calculating relief under the scheme?

Ans. Any amount paid as pre-deposit at any stage of appellate proceedings under the indirect tax enactment or as deposit during enquiry, investigation or audit, shall be deducted while issuing the statement indicating the amount payable by the declarant.

#### Q 30. How the declaration made by the declarant under the Scheme would be verified?

Ans. The declaration made under section 125 except when it relates to a case of voluntary disclosure of an amount of duty shall be verified by the Designated Committee based on the particulars furnished by the declarant as well as the records available with the department.

#### Q 31. Whether the declarant will be given an opportunity of being heard or not?

Ans. Yes, as per section 127(3), after the issue of the estimate under sub-section (2), the Designated Committee shall give an opportunity of being heard to the declarant, if he so desires, in case of a disagreement.

#### Q 32. What will be procedure and time period of payment to be made by the declarant?

Ans. The declarant shall pay electronically within a period of 30 days of the statement issued by the Designated Committee, the amount payable as indicated therein.

#### Q 33. What procedure will be followed for withdrawal of appeals where the person has filed a declaration under the Scheme?

Ans. Where the declarant has filed an appeal or reference or a reply to the SCN against any order or notice giving rise to the tax dues, before the appellate forum, other than the Supreme Court or the High Court, then, such appeal or reference or reply shall be deemed to have been withdrawn. In case of a writ petition or appeal or reference before any High Court or the Supreme Court, the declarant shall file an application before such High Court or the Supreme Court for withdrawing such writ petition, appeal or reference and after withdrawal of such writ petition, appeal or reference with the leave of the Court, he shall furnish proof of such withdrawal to the Designated Committee.

#### Q 34. Whether any certificate will be provided to declarant as proof to payment of dues?

Ans. Yes, on payment of the amount indicated in the statement and production of proof of withdrawal of appeal, wherever applicable, the Designated Committee shall issue a discharge certificate in electronic form, within 30 days of the said payment and production of proof, whichever is later.

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**Q 35. Whether a calculation error in statement may be rectified or not?**

Ans. Yes, within 30 days of the date of issue of a statement indicating the amount payable by the declarant, 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 the declarant or suo-motu.

**Q 36. What will be the benefits of discharge certificate issued under the scheme?**

Ans. Every discharge certificate issued under section 127 with respect to the amount payable under this Scheme 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 indirect tax enactment with respect to the matter and time period covered in the declaration; and (c) no matter and time period covered by such declaration shall be reopened in any other proceeding under the indirect tax enactment.

**Q 37. Can I take input tax credit for any amount paid under the Scheme.**

Ans. No.

**Q 38. Can I pay any amount under the Scheme through the input tax credit account under the indirect tax enactment or any other Act?**

Ans. No.

**Q 39. Can I take a refund of an amount deposited under the Scheme?**

Ans. No.

**Q 40. In cases where pre-deposit or other deposit already paid exceeds the amount payable as indicated in the statement of the designated committee, the difference shall be refunded or not?**

Ans. No, it shall not be refunded.

**Q 41. Is there any benefit, concession or immunity on the declarant in any proceedings other than those in relation to the matter and time period to which the declaration has been made?**

Ans. No, as per section 131, nothing contained in this Scheme shall be construed as conferring any benefit, concession or immunity on the declarant in any proceedings other than those in relation to the matter and time period to which the declaration has been made.

**Q 42. Whether the discharge certificate under the scheme would serve as immunity against issuance of any further SCN (i) for the same matter for a subsequent time period; or (ii) for a different matter for the same time period?**

Ans. No, as per section 129 (2)(b), the issue of the discharge certificate with respect to a matter for a time period shall not preclude the issue of a SCN,(i) for the same matter for a subsequent time period; or (ii) for a different matter for the same time period.

**Q 43. What action would be taken against a declarant who makes false voluntary disclosure under the scheme?**

Ans. As per section 129(c), in such cases 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 indirect tax enactment shall be instituted.

[Note: The 'sections' referred above are those of the Finance (No.2) Act, 2019.]

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