

Date: 28<sup>th</sup> October 2020

### TIMELINES for Vivad Se Vishwas Scheme

The last date for filing application under Vivad Se Vishwas scheme has now been fixed at 31st December 2020 and, payment of tax thereon liberalized, to be paid by 31st March 2021.

The CBDT issued a detailed press note followed by a clarification (both attached with this communication) detailing the changes in timelines and the intent of the department of income tax towards the scheme. The Revenue Secretary addressing Board members and senior officers of the department called for a pro-active approach in settlement of disputes under the scheme maintaining that it was beneficial to both the tax payers and the department.

### PROCEDURE in BRIEF

- The eligible assesseees are required to submit their declaration in Form 1 to the designated authority along with an undertaking in Form 2 waiving the right to seek or pursue any remedy or any claim in relation to tax arrears under any law. There is a provision for revision of Form 1 to take care of any mistake. This should be possible only till Form 3 is issued by the authority as detailed below.
- The designated authority is expected to issue an order, within fifteen days of application, in Form 3, directing the applicant to make payment of sum payable after adjusting the amounts already paid in relation to disputed tax
- The applicant has then to request the appellate forum for withdrawal of the pending appeal and make payment of tax as directed in Form 3. These have to be communicated to the authority.
- The designated authority shall then pass final orders of settlement of the disputed amount of tax and waiver from interest, penalty and prosecution
- The entire process is done on-line on the e-filing portal of the tax payer.

### CBVA Views

1. The whole process appears simple. In reality the eligibility criterion and the computation of amount payable required to be filled in Form 1 are complex in different situations and require a detailed analysis of facts of each case. The scheme is, in appropriate cases, a win-win situation, giving to the tax payer relief of interest, penalty and prosecution and, in certain situations, settle the dispute at half the amount of tax payable.
2. The extension of time lines for payment of tax under the scheme is a welcome move in the present COVID times.

3. **A Caution.**

The time line for payment of taxes has been extended to 31st March 2021. But in cases where Form 3 has been received by applicants before the issuance of liberalization orders, the time limit continues to remain fifteen days from the date of Form 3. It is advisable to approach the designated authority for modification in Form 3 and only if a modified order is received, the payment of tax should be deferred, else, the application is liable to rejection for non-payment within the stipulated fifteen days as in Form 3

Best Regards,

TEAM CBV & ASSOCIATES<sup>LLP</sup>



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CC / CBVA / 06



F.No. IT(A)/1/2020-TPL  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

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Dated: 28<sup>th</sup> October, 2020

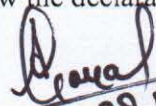
**Subject: Clarifications in respect of the Direct Tax *Vivad se Vishwas* Act, 2020 – reg.**

With the objective to reduce pending income tax litigation, generate timely revenue for the Government and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process, the Direct Tax *Vivad se Vishwas* Act, 2020 (hereinafter referred to as '*Vivad se Vishwas*') was enacted on 17<sup>th</sup> March, 2020. The provisions of *Vivad se Vishwas* had been amended by the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 to provide certain relaxation in view of the COVID-19 pandemic and also to empower the Central Government to notify certain dates.

2. The Central Government vide the notification S.O. 3847(E), dated 27<sup>th</sup> October, 2020, has extended the date for payment without additional amount under *Vivad se Vishwas* from 31<sup>st</sup> December, 2020 to 31<sup>st</sup> March, 2021. The said notification also notified the last date for filing declaration under *Vivad se Vishwas* as 31<sup>st</sup> December, 2020.

3. Under the existing provisions of sub-section (2) of section 5 of the *Vivad se Vishwas*, the declarant is required to pay the amount within a period of 15 days from the date of receipt of certificate from the designated authority. However, as per the aforesaid notification, a declarant who files declaration on or before 31<sup>st</sup> December, 2020 can make payment without additional amount on or before 31<sup>st</sup> March, 2021. Hence, requiring payment by the declarant within a period of 15 days from the date of receipt of certificate from the designated authority may result into undue hardship for the declarant in whose case the period of 15 days expires before 31<sup>st</sup> March, 2021.

4. In order to mitigate undue hardship and remove difficulty that may be caused by the aforesaid requirement of payment within 15 days from the date of receipt of certificate from the designated authority, in exercise of powers conferred under section 10 and 11 of *Vivad se Vishwas*, it is hereby clarified that where a declarant files a declaration under *Vivad se Vishwas* on or before 31<sup>st</sup> December, 2020, the designated authority, while issuing the certificate under sub-section (1) of section 5 of the *Vivad se Vishwas*, shall allow the declarant to make payment without additional amount on or before 31<sup>st</sup> March, 2021.

  
28.10.2020  
(Ankur Goyal)

Under Secretary to the Govt. of India

# Payment Date Extended for Vivad se Vishwas Scheme

## Finance Secretary urges I-T Department to Reach Out to the Taxpayers

Posted On: 27 OCT 2020 10:36PM by PIB Delhi

In order to provide further relief to the taxpayers desirous of settling disputes under *Vivad se Vishwas* Scheme, the Government today further extended the date for making payment without additional amount from 31<sup>st</sup> December 2020 to 31<sup>st</sup> March 2021. The last date for making declaration under the Scheme has also been notified as 31<sup>st</sup> December 2020. As per the notification issued today, the declaration under the Vivad se Vishwas Scheme shall be required to be furnished latest by 31<sup>st</sup> December 2020, however, only in respect of said declarations made by 31<sup>st</sup> December 2020 the payment without additional amount can now be made up to 31<sup>st</sup> March 2021.

Meanwhile, Finance Secretary Dr. Ajay Bhushan Pandey today reviewed the progress made so far by the Income Tax Department on Vivad se Vishwas Scheme in a high level meeting through video conferencing along with CBDT Chairman and Board members with all Principal Chief Commissioners of Income Tax across the country to expedite the Scheme which, he said, is highly beneficial to the taxpayers, adding further that “We need to advance the Vivad se Vishwas Scheme with greater persuasion and perseverance and must reach out to the taxpayers to facilitate all necessary handholding.”

In the meeting, suggestions and comments of the Field Officers were also discussed regarding the action plan for successful implementation of the Scheme in a time bound manner.

Finance Secretary Dr. Pandey said, “This is a scheme for the benefit and convenience of the taxpayers as they would get instant disposal of the dispute with no further cost of litigation besides monetary benefits in the form of waiver of penalty, interest and prosecution. With this Scheme, on the one hand, a taxpayer would be benefitted with stress-free time to put her/his efforts for more meaningful daily life/routine or expanding business activities while on the other, the government would be getting its due long pending revenue and also, savings on the huge cost on resources that these disputes consume.”



In the meeting, CBDT Chairman Shri P.C. Mody mentioned the importance of cleaning up of demand for facilitating and persuading the taxpayers for filing declarations under the Scheme. He emphasized on Pr. Chief Commissioners of Income Tax to carry out all possible actions such as disposing pending rectifications, giving pending appeal effects, removing duplicate demands, etc. so as to arrive at a final demand for each assessee so that whenever a taxpayer files Form 1 or 2 under the Vivad se Vishwas Scheme, the Pr. Commissioner of Income Tax concerned is in a position to issue Form 3 promptly.

It was also decided in the meeting to adopt a proactive approach for implementation of the Scheme by approaching taxpayers directly, guiding and facilitating them in filing of declarations and removing any difficulties or problems faced by them in availing the Scheme. It was further decided to have periodic review of the progress of the Scheme every fortnight.

It is pertinent to mention here that the Direct Tax Vivad se Vishwas Act, 2020 was enacted on 17<sup>th</sup> March, 2020 with the objective to reduce pending income tax litigation, generate timely revenue for the Government and to benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process. In order to provide more time to taxpayers to settle disputes, earlier the date for filing declaration and making payment without additional amount under Vivad se Vishwas was extended from 31<sup>st</sup> March 2020 to 30<sup>th</sup> June, 2020. Later again, this date was extended further to 31<sup>st</sup> December, 2020. Therefore, earlier both the declaration and the payment without additional amount under the Vivad se Vishwas were required to be made by 31<sup>st</sup> December, 2020.

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**RM/KMN**

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