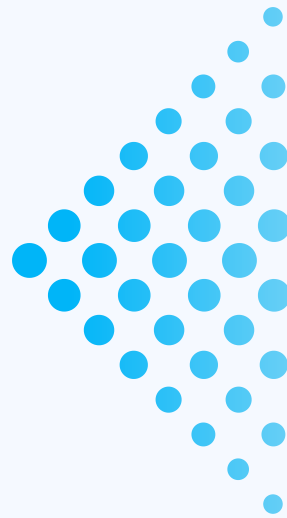




Vivad Se Vishwas 2.0 - Tax Amnesty Scheme



About Vivad Se Vishwas 2.0:

- Introduced in Union Budget 2024, Direct Tax Vivad Se Vishwas, 2024 ('Vivad Se Vishwas 2.0' or 'VSV 2.0') is a tax amnesty scheme to address pending tax disputes.

A) Applicability:

VSV 2.0 is applicable to below tax disputes that are pending as on **July 22, 2024**:

- Writ petitions, appeals, leave petitions and special leave petitions (collectively referred to as 'Appeals')** filed by revenue authority or taxpayer before an appellate forum
- Directions from Dispute Resolution Panel to Assessing Officers ('AO')** against objections filed by taxpayers for variations in income prejudicial to taxpayer's interest
- Assessment orders from AO** against objections filed by taxpayers for variations in income prejudicial to their interest
- Applications** filed by taxpayers for **revision of orders** passed by AO
- Tax Deducted at Source ('TDS') and Tax Collected at Source ('TCS') disputes

B) Nature of disputed amount ('tax arrear') and corresponding amount payable under VSV 2.0 ('settlement amount') for settling the tax dispute:

Nature of tax arrear	Period of tax dispute	VSV 2.0 availed on or before 31st December, 2024	VSV 2.0 availed on or after 1st January, 2025
Tax, interest, and penalty	After 31st January, 2020 but on or before 22nd July, 2024	100% of disputed tax	110% of disputed tax
Tax, interest and penalty	On or before 31st January, 2020	110% of disputed tax	120% of disputed tax
Interest or penalty or fee	After 31st January, 2020 but on or before 22nd July, 2024	25% of disputed interest or penalty	30% of disputed interest or penalty
Interest or penalty or fee	On or before 31st January, 2020	30% of disputed interest or penalty	35% of disputed interest or penalty

Note: Where Appeals filed by revenue authority before an appellate forum had been decided in favor of the taxpayer, the settlement amount shall be 50% of the amount payable determined.

C) Procedure prescribed:

1. Declaration and undertaking in Form-1

- The taxpayer should file Form-1, separately for each dispute, to the designated authority.
- Form-1 contains *inter alia* nature of tax dispute, tax arrears and settlement amount.
- In cases where both the taxpayer and revenue authority have filed an Appeal, a single Form-1 shall be filed by the taxpayer.
- After the receipt of declaration, the designated authority shall issue an acknowledgement of receipt electronically.

2. Receipt of Form-2 and payment:

- After receipt of Form-1, the designated authority shall issue an e-certificate in Form-2 wherein particulars of tax arrears and the settlement amount are stated.
- The taxpayer must pay the settlement amount within 15 days from the date of receipt of Form-2.
- In case of non-payment of settlement amount within 15 days, declaration under Form-1 is treated void.

3. Intimation of payment in Form-3:

- The taxpayer must intimate the payment of settlement amount by furnishing Form-3.
- Form-3 shall be furnished along with proof of withdrawal of Appeal, objection or application, as the case may be.

4. Receipt of Form-4:

- The designated authority issues an order in Form-4 in respect of payment of settlement amount as certified in Form-2.
- Form-4 grants immunity to the taxpayer from initiation of any proceedings in respect of an offence and imposition of penalty or interest regarding tax arrears covered in said form.

D) How we can assist:

- Understand the pending tax disputes for the taxpayer and evaluate relevance of the scheme to such disputes;
- Assess the facts of the tax dispute at a high level and gauge the potential outcome of the tax dispute based on our assessment;
- Assess the potential benefit of availing the scheme in light of the facts of the tax disputes and evaluate the outcomes upon availing the scheme;
- Based on our above assessment, assistance in preparation of the necessary forms, including computation of tax arrears and settlement amounts, for availing the scheme;
- Assistance in furnishing the prescribed forms with the designated authority and follow-up with the designated authority till obtaining Form 4.

CONTACT US FOR FURTHER QUERIES



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