

## **BRIEF NOTE**

### **Indirect Tax Dispute Resolution Scheme, 2016**

- The Indirect Tax Resolution Scheme, 2016 has been made operational by Chapter XI, comprising of Section 212-218 of the Finance Act, 2016.
- The Rules as required for implementation of the Scheme have been notified by Notification No 29/2016-CE(NT) dated 31<sup>st</sup> May, 2016.
- Scheme is now open for declaration to Taxpayers from 1<sup>st</sup> June 2016 and shall remain open for declaration upto 31<sup>st</sup> December, 2016.

### **Scope of the Scheme**

- Any person whose appeal in any matter was pending before the Commissioner (Appeal) on 1<sup>st</sup> March 2016 can make declaration under this scheme.
- There is no restriction on the number of declarations a person can make. In respect of every appeal pending before Commissioner (Appeal) as on 1<sup>st</sup> March 2016 declaration can be made i.e. if a person has having ten appeals pending before the Commissioner (Appeals) either in the same jurisdiction or in different jurisdictions then he can make 10 declarations or as many cases declarations as he wishes to make. (There are certain category of cases which are excluded from this scheme, such as preventive, anti smuggling and anti evasion cases)
- Declaration made shall be acknowledged by the Designated Authority i.e. Assistant Commissioner specified by the jurisdictional Commissioner and the declarant shall be asked to pay the amounts due from him i.e. duty demanded + interest + 25% of the penalty imposed.
- Once the payment is made and intimated to the designated authority, the designated authority will issue an order settling the case and granting immunity to the declarant from all proceeding pertaining to that case that can be initiated under the indirect tax Acts (Indirect Tax Acts mean Customs Act, 1962, Central Excise Act, 1944 and Chapter V of Finance Act, 1994).
- The Appeals settled under these provisions shall not create a binding precedence.

*Note: For details, the aforesaid provisions of the Finance Act, 2016 & Notification No 29/2016- CE(NT) dated 31<sup>st</sup> May, 2016 may be referred to.*

[To be published in the Gazette of India  
Extraordinary, Part II, Section 3, Sub-Section (i)]

Government of India  
Ministry of Finance  
Department of Revenue

New Delhi the 31<sup>st</sup> May, 2016

**Notification No 29/2016-CE(NT)**

G.S.R. (E). - In exercise of the power conferred by sub-sections (1) and (2) of section 218 of the Finance Act, 2016, (28 of 2016), the Central Government hereby makes the following rules, namely:-

**1. Short title and commencement.-**

- (1) These rules may be called the Indirect Tax Dispute Resolution Scheme Rules, 2016.
- (2) They shall come into force on the 1st day of June, 2016.

**2. Definitions.** - In these rules, unless the context otherwise requires, -

- (a) "Form" means the Form annexed to these rules;
- (b) "Scheme" means the Indirect Tax Dispute Resolution Scheme, 2016, specified under Chapter XI of the Finance Act, 2016 (28 of 2016) ;
- (c) "section" means section of the Finance Act, 2016 (28 of 2016) ;
- (d) words and expressions used in these rules and not defined in these rules but defined in the Scheme under Chapter XI of the Finance Act, 2016 (28 of 2016), shall have the meanings respectively assigned to them in that Scheme.

**3. Form of declaration under sub section (1) of section 214 and manner of verification of such declaration in respect the amount payable.-**

- (1) The declaration under sub section (1) of section 214 of the Scheme shall be made in Form 1 in respect of the amount payable under the Scheme.
- (2) The declaration under sub section (1) of section 214 shall be verified in the manner indicated therein and shall be signed by the person making such declaration or by any person competent to act on his behalf.

- (3) The declaration under sub-rule (1) shall be furnished in duplicate to the designated authority.
- (4) The designated authority, on receipt of declaration, shall issue a dated acknowledgement thereof in Form 2 as per sub section (1) of section 214 within seven days of the receipt of declaration.
- (5) Copy of the declaration made under sub-rule (1) and the acknowledgement issued by the designated authority under sub-rule (4) shall be furnished within fifteen days of the receipt of acknowledgement by the declarant to the concerned Commissioner (Appeals) before whom the appeal in respect of which the declaration has been made is pending.
- (6) On the receipt of the declaration and acknowledgement, Commissioner (Appeals) shall not proceed with the appeal in respect of which the declaration has been made for a period of sixty days from the date of receipt of information under sub-rule (5)

**4. Form of reporting deposits made by declarant under sub-section (3) of section 214.-**

- (1) Declarant shall, within fifteen days of the receipt of acknowledgement under sub-rule (4) of rule 3, deposit the amounts.
- (2) Declarant shall, within seven days of making the deposit, intimate the designated authority about the deposit made under subsection (3) of section 214 in Form 3.

**5. Form of order under sub-section (4) of section 214.**

- (1) The designated authority shall, within fifteen days of receipt of the information about the deposit made under sub-section (3) of section 214, in Form 3, issue the order of discharge of dues in respect of the declaration made under sub section (1) of section 214 in Form 4.
- (2) The declarant shall intimate the concerned Commissioner (Appeals) along with the copy of the order of discharge of dues issued by the designated authority under sub-rule (1) before the expiry of the period of sixty days specified in sub-rule (6) to rule 3.

- (3) On the receipt of the information along with the copy of the order of discharge of dues issued by the designated authority, Commissioner (Appeals) shall remove the appeal from the list of pending appeals with him and intimate the declarant within seven days of the receipt of information under sub-rule (2).

**Form 1**  
[See rule 3(1)]

**FORM OF DECLARATION UNDER SUB SECTION (1) OF SECTION 214 OF THE FINANCE ACT, 2016 (28 OF 2016), IN RESPECT OF INDIRECT TAX DISPUTE RESOLUTION SCHEME, 2016**

IN DUPLICATE

To,

The Designated Authority  
.....  
.....

Sir/Madam,

I hereby make a declaration under sub section (1) of section 214 of the Finance Act, 2016 (28 of 2016).

1	Name of the declarant (in block letters)	
2	Registration Number	
3	Address (as mentioned in order in original against which appeal has been filed before Commissioner (Appeals))	
4	Telephone number	
5	Order in original number	
6	Date of order in original	
7	Amounts demanded	Duty/ Tax
		Interest
		Penalty
8	Commissioner (Appeals) before whom appeal is pending	
9	Appeal No.	
10	Amounts deposited	Duty/ Tax

	Interest																		
	Penalty																		
11	Any other information																		
<b>VERIFICATION</b>																			
I, ..... (name in block letters) son/daughter/of Shri ..... solemnly declare that to the best of my knowledge and belief, -																			
(a)	the information given in this declaration is correct and complete and amount due and other particulars shown therein are truly stated ;																		
(b)	I am not disqualified in any manner from making a declaration under the Scheme with reference to the provisions of section 215 of Finance Act, 2016.																		
(c)	I further declare that I am making this declaration in my capacity as ..... [(designation) (please specify if you are making a declaration on behalf of declarant)] and that I am competent to make this declaration and verify it.																		
Place		Signature of person making declaration																	
Date		Name of person making declaration																	

**Instructions for filling the Form**

1. This Form should be submitted to the Commissioner of Customs or the Commissioner of Central Excise notified as designated authority under section 87(b)(ii) of the Finance (No. 2) Act, 1998.
2. Use separate Form for each appeal in respect of which declaration is being made.
3. No column shall be left blank. Wherever the entry is not relevant the column shall be filled in as 'Not applicable'.
4. In Row 2, registration number is to be filed only in respect of registered Central Excise and Service Tax Assessee. In respect of all others the row should be shown as "Not applicable".
5. In case of any deposits made in the matter against the amounts demanded please indicate the same in row 10.
6. Any other information relevant to the case may be briefly indicated under row 11.

**Form 2**

[See rule 2(4)]

**FORM OF ACKNOWLEDGEMENT UNDER SUB SECTION (2) OF SECTION 214 OF THE FINANCE ACT, 2016 IN RESPECT OF INDIRECT TAX DISPUTE RESOLUTION SCHEME, 2016**

Reference No .....

To,  
.....  
.....  
.....

Sir/Madam,

Whereas Mr./Mrs./M/s. .... (hereinafter referred to as the declarant) has filed a declaration under sub-section (1) of section 214 of the Finance Act, 2016 (28 of 2016);

and the said declaration has been received on ..... in the office of the designated authority.

The designated authority hereby acknowledges the receipt of the declaration made and directs the declarant to pay the amounts due from him along with interest at the rate applicable and penalty equivalent to twenty-five percent of the penalty imposed on him by the order in original No ..... within fifteen days of the receipt of this acknowledgement.

The declarant shall within seven days of making the payment furnish to the designated authority as undersigned the intimation of making the payment in Form 3 along with the proof payment.

Signature of the designated authority .....  
Place ..... Name of the designated authority .....  
Date ..... Official Seal of the designated authority

Form 3  
[See rule 4(2)]

**FORM OF REPORTING THE PAYMENT UNDER SUB SECTION (3) OF SECTION 214 OF THE FINANCE ACT, 2016 (28 OF 2016) IN RESPECT OF INDIRECT TAX DISPUTE RESOLUTION SCHEME, 2016**

[IN DUPLICATE]

To,

The Designated Authority

.....  
.....

Sir/Madam,

Please refer to the declaration made by me in Form 1 dated ....., and the acknowledgement issued by you in Form 2, vide your Reference No ..... dated .....

As required I have deposited the amounts as follows on .....

	Amount as per order in original	Amount deposited
Duty		
Interest		
Penalty		

Copy of the Challan dated ..... for making the payment as above are enclosed.

Place ..... Signature of person making declaration .....  
Date ..... Name of person making declaration .....

Form 4  
[See rule 5(1)]

**FORM OF ORDER OF DISCHARGE OF DUES UNDER SUBSECTION (4) SECTION 214 OF THE FINANCE ACT, 2016 (28 of 2016).**

Reference No .....

Mr/ Mrs/ M/s ..... (Name and address of the declarant) (hereinafter referred to as declarant) had made a declaration under sub-section (1) of section 214 of the Finance Act, 2016 (28 of 2016) on .....; and

The designated authority by acknowledgement of even number in Form 2 dated ..... acknowledged the said declaration;

The Declarant has intimated as required under sub-section (3) of Section 214, the details of amount deposited by him against the said order in original in Form 3 dated .....

Now, therefore, in exercise of the powers conferred by sub-section (4) of section 214 read with section 216 of the Finance Act, 2016, the designated authority hereby issues order of discharge of due the said declarant –

(a) certifying the receipt of payment from the declarant towards full and final settlement of the amounts due from the declarant in terms of order in original No ..... dated .....

(b) granting immunity, from all from all proceedings under the Act, in respect of the indirect tax dispute for which the declaration has been made under this Scheme.

Signature of the designated authority .....  
Place ..... Name of the designated authority .....  
Date ..... Official Seal of the designated authority

Copy To

- (1) The declarant
  - (2) Assessing/Adjudicating Officer
  - (3) Commissioner of Customs/ Central Excise/ Service Tax
  - (4) Concerned appellant authorities
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F No 1080/06/DLA/IDRS/2016

(M.R.Farooqui)  
Under Secretary to Government of India