

The Direct Tax Dispute Resolution Scheme, 2016

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-13.8%	36.1%
16.9%	-17.4%
2.7%	17.9%
8%	1.9%
	10.2%

Coupon (%)	Maturity	Current	One-day change
6.700	Jan. 30, '18	1461	-286
5.875	May 10, '12	3820	-270
6.750	March 15, '12	786	-180
7.625	Nov. 30, '12	949	-131
5.750	Sept. 8, '11	953	-118
7.995	June 1, '36	787	-107
6.875	Feb. 1, '14	804	
5.500	Nov. 15, '12		



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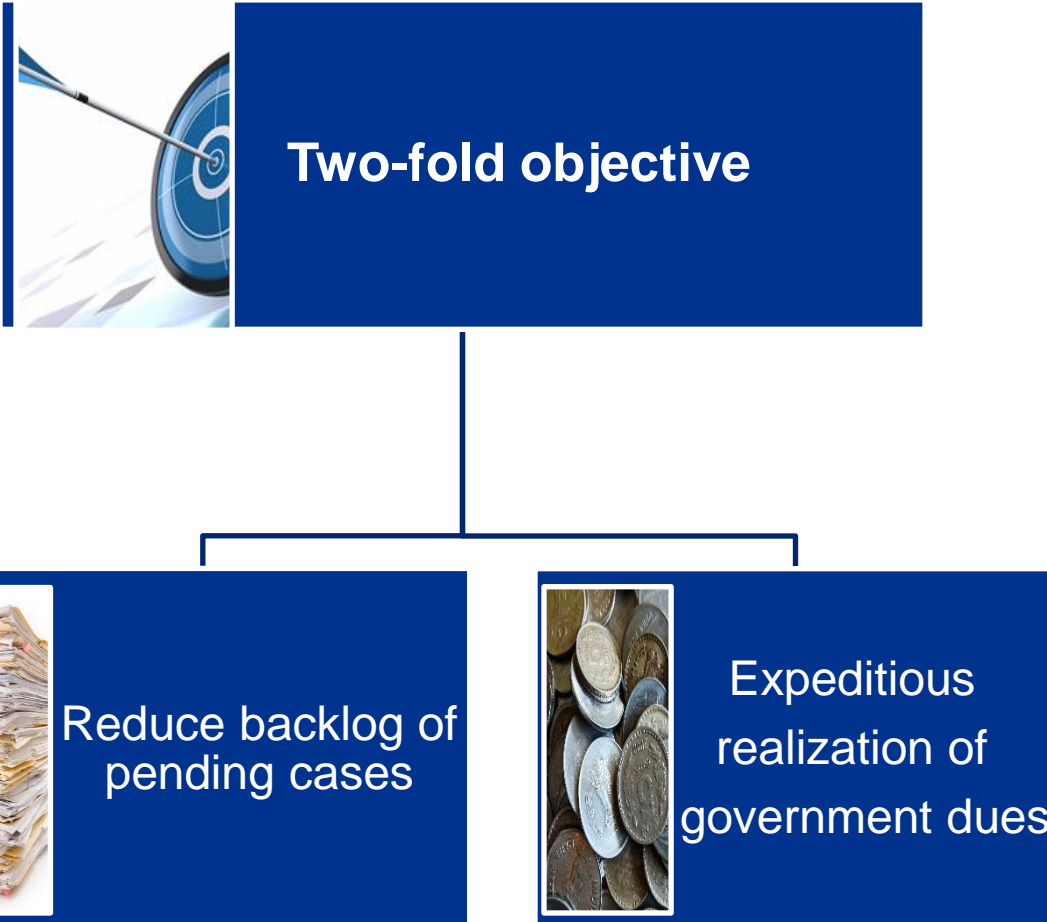
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Objective behind the Scheme



Statistics as on 29.2.2016

Tax Effect	No. of Appeals pending before CIT(A)
Above 10 lakh	73, 402
Below 10 Lakh	1,85,858

Salient Features

Governing code

Chapter X of Finance Act, 2016 (section 200 to 211)

Direct Tax Dispute Resolution Scheme Rules, 2016 ('the Rules') notified vide notification dated May 26, 2016

Relevant dates

Starts from June 1, 2016

Declaration to be made by December 31, 2016

Applicability (Cases pending as on 29.02.2016)

Tax Arrears

Specified tax

Basic provisions

Tax Arrears - defined in Section 201(h)

- The amount of tax, interest or penalty determined under the Income-tax Act or Wealth-tax Act, in respect of which appeal is pending before the CIT(A) or CWT(A) as on 29.02.2016

Specified Tax - defined in section 201(g)

- Tax determined in (a) consequence of ; or (b) validated Tax determined in consequence of ; or (c) validated by any amendment made to IT Act or Wealth-Tax Act - with retrospective effect & relates to a period prior to date of enactment of such amendment and a dispute in respect of such tax is pending as on 29.02.2016

Basic provisions

Particulars	Tax Arrears		Specified tax
	Assessment Order	Penalty Order	Retrospective Amendment
Appeal Against			
Pendency as on 29.02.2016	Before Commissioner of Income-tax (Appeals) [CIT(A)]	Before CIT(A)	Before any appellate authority or writ or arbitration
Amount Payable	<ul style="list-style-type: none"> Tax plus interest up to the date of assessment (disputed tax is INR 10 lakhs or less) Additionally, 25% of minimum penalty (disputed tax exceeds INR 10 lakhs) 	25% of minimum penalty	Disputed tax
Immunity	Prosecution		Prosecution, penalty and interest

Applicable to Appeals under the income-tax Act as well as Wealth-tax Act

Process to be followed

- In case of specified tax (retrospective amendment):

- proof of withdrawal of appeal / arbitration notice (if any) to be furnished along with the declaration
- Undertaking waiving right to exercise any other remedy in any law **(Form 2)**

• **Make a declaration to Designated Authority (DA)**
(Form 1)

DA to determine the amount payable
(Form 3)
(within 60 days of receipt of declaration)

Declarant to pay the amount determined
(within 30 days of determination)

Declarant to intimate the fact of such payment and furnish proof of payment
(Form 4)

Order to be passed by DA certifying the tax settlement and granting immunity
(Form 5 – Tax arrears)
Form 6 – Specified Tax

- In case of tax arrears –
 - Deemed withdrawal of pending appeal consequent to filing of declaration

Miscellaneous Provisions

Declaration to be treated as void when

- Material particular found to be false at any stage
- Declarant violates any of the conditions of the scheme
- Conduct of the declarant not in accordance with the undertaking furnished w.r.t. specified tax

Amount payable to be conclusive

- The sum payable determined by the designated authority to be conclusive
- No matter covered by such order to be re-opened
- Amount paid to be non-refundable

Scheme not applicable in certain cases

Where prosecution has been initiated before filing of declaration

Search and survey cases where declaration pertains to tax arrears

Cases relating to undisclosed foreign income and assets

Cases based on information received under DTAA's where declaration is in respect of tax arrears

Person notified under Special Courts Act, 1992

Cases covered under Narcotic Drugs and Psychotropic Substances Act,, Indian Penal Code, Prevention of Corruption Act or Conservation of Foreign Exchange and Prevention of Smuggling Activities Act

Thank You

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