



Summary of the procedure to opt for the Direct Tax Vivad se Vishwas Rules and Forms

The Hon'ble Finance Minister ('FM') of India introduced the Direct Tax Vivad Se Vishwas Scheme in Union Budget 2020 in order to resolve pending litigation under the Income-tax Act ('the Act'). The Draft Bill was introduced on 5 February 2020 providing a one-time opportunity to taxpayers to settle tax disputes followed by amendment bill. The Direct Tax Vivad Se Vishwas Act, 2020 ('DTVSV Act') received Presidential assent on 17 March 2020

Pursuant to the enactment of DTVSV Act, the Central Board of Direct Taxes ('CBDT') vide Notification No. 18/2020 dated 18 March 2020, has notified the Direct Tax Vivad Se Vishwas Rules, 2020 ('DTVSV Rules')

The DTVSV Rules provides for definitions of relevant terms and outlines the procedure along with the relevant forms (to be furnished electronically using a digital signature certificate or through electronic verification code, as may be applicable to the Declarant) to opt for the DTVSV

We have outlined the procedure to opt for DTVSV in the ensuing slide:

Step 1

- Declarant to submit a Declaration in Form-1 to the Designated Authority
- Form 1 seeks basic information like – PAN, TAN, Mobile Number, Email ID, Nature of arrear, assessment year, tax arrear, self-computation of amount payable, amount already paid, etc.

Step 2

- Declarant to submit Undertaking in Form-2, waiving his right to seek or pursue any remedy or any claim in relation to the tax arrear to the Designated Authority which may otherwise be available to him under any law
- Please note that the declaration and undertaking will be signed by the person who is designated to sign the return of income as per the provisions of Income-tax Act, 1961.

Step 3

- Designated Authority to grant an e-certificate in Form-3 containing particulars of the tax arrear and the amount payable after such determination
- Form-3 to be issued within 15 days from date of receipt of declaration
- Declarant to pay the amount payable, within 15 days of receipt of the e-certificate

Step 4

- Declarant to furnish details of payments made (basis e-certificate issued by the Designated Authority), proof of withdrawal of appeal, objection, application, writ petition, special leave petition, arbitration, conciliation, mediation or claim filed by the Declarant, to the Designated Authority in Form-4

Step 5

- Designated Authority to issue an order for full and final settlement of tax arrears and granting immunity from initiation of prosecution proceedings and imposition of penalty, in Form-5
- Form-5 shall also capture details of the Assessment Year/ Financial Year covered, Amount of tax arrears. etc.

The immediate action point for a taxpayer willing to opt for DTVSV would be to e-file a Declaration in Form-1 and Undertaking in Form-2, with the Designated Authority, on or before 31 March 2020

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