

NDA Update on Direct Tax Vivad Se Vishwas Scheme, 2024

Finance (No.2) Act, 2024 had introduced **Direct Tax Vivad Se Vishwas Scheme, 2024 (DTVSV 2024)** for dispute resolution related to direct taxes which may be pending with Commissioner (Appeals) or Joint Commissioner (appeals) or Income Tax Appellate Tribunal or High Court or Supreme Court.

It has come into force with effect from 1st October 2024.

The salient features of the scheme are as under:

Who can avail benefit-

- A person in whose case an appeal / writ / Special Leave Petition (SLP) has been filed by him or Income Tax Department or both which are pending as on July 22,2024 (hereinafter referred to as specified date).
- A person who has filed his objections before the Dispute Resolution Panel (DRP) and the DRP has not issued any direction on or before the specified date.
- A person in whose case the DRP has issued directions but the AO has not passed any order on or before the specified date, shall be deemed to be disputed tax.
- A person who has filed an application for revision under section 264 of the Income-tax Act and such application is pending as on the specified date;

Filing of declaration and undertaking

The scheme can be availed by filing a declaration and undertaking in **Form-1** under Rule 4 of Direct Tax Vivad se Vishwas Rules, 2024 with the designated authority, notified by the Principal Chief Commissioner for the purposes of this Scheme.

Determination of amount payable and issuance of certificate

The designated authority shall, within a period of 15 days from the date of receipt of the declaration, by order, determine the amount payable by the declarant in accordance with the provisions of this Scheme and grant a certificate to the declarant containing particulars of the tax arrear and the amount payable after such determination, in **Form -2**.

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Payment of Tax arrears

The declarant shall pay the amount determined within a period of 15 days of the date of receipt of the certificate and intimate the details of such payment to the designated authority in **Form-3** and thereupon the designated authority shall pass an order stating that the declarant has paid the amount.

Amount payable by the declarant

- In case of appeals by tax payers against disputed tax demands

Nature of Tax Arrears	Amount payable on or before 31.12.2024	Amount payable on or after 01.01.2025
Appeal filed between 01.02.2020 and 22.07.2024 against disputed tax, interest & penalty	100% of disputed tax	110% of disputed tax
Appeal pending at same forum on or before 31.01.2020 against disputed tax, interest & penalty	110% of disputed tax	120% of disputed tax
Appeal filed between 01.02.2020 and 22.07.2024 against disputed interest, penalty and fees	25% of disputed interest, penalty and fees	30% of disputed interest, penalty and fees
Appeal pending at same forum on or before 31.01.2020 against disputed interest, penalty & fees	30% of disputed interest, penalty and fees	35% of disputed interest, penalty and fees

- If the department has filed appeal etc, the amount payable shall be **50% of the aforesaid amount in the above table.**

Withdrawal of Appeal / Writ

Where the declarant has filed any appeal before the appellate forum or any writ petition before the High Court or the Supreme Court, he shall withdraw such appeal or writ petition after issuance of certificate by the designated authority and furnish proof of such withdrawal to the designated authority.

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Refund

Any amount paid in pursuance of a declaration made shall not be refundable under any circumstances. **However, if the amount already paid before filing of the declaration exceeds the amount payable under the scheme, the person shall be entitled to refund of excess amount but without any interest.**

Who can not avail benefit of the scheme

Benefit of scheme cannot be availed in certain cases like:

- If assessment was made on the basis of search, or
- Prosecution initiated before filing of declaration by the declarant, or
- Litigations arising out of undisclosed income arising from sources outside India or undisclosed asset outside India, or
- If the assessment or reassessment was made based on information received under an agreement referred under Section 90 or Section 90A of the Income Tax Act, 1961, if it relates to any tax arrear, or
- To any person in respect of whom an order of detention has been made under the provisions of the COFEPOSA Act, 1974 on or before the filing of declaration.

In respect of manner of computing disputed tax in cases where loss or unabsorbed depreciation or MAT Credit is reduced, please refer to Rule 9 & 10 of Direct Tax Vivad se Vishwas Rules, 2024 notified on 20.09.2024 as per link below:

<https://incometaxindia.gov.in/communications/notification/notification-104-2024.pdf>