Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

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PRESS RELEASE

Sub:- The Direct Tax Dispute Resolution Scheme, 2016

Litigation is a scourge for a tax friendly regime. In order to reduce the pending litigation, the Direct Tax Dispute Resolution Scheme, 2016 (the Scheme) has come into force from 1st June, 2016 and can be availed upto 31st December, 2016. The Scheme is available to the cases pending with the first appellate authority [i.e. CIT(A)] as on 29th February, 2016, subject to certain conditions. It also extends to the cases pending litigation owing to retrospective amendment at different levels.

Under the Scheme, if the amount of disputed tax is

- Up to Rs.10 lakh, complete waiver from levy of penalty and from initiation of prosecution is provided on payment of assessed tax along with the interest.
- More than Rs.10 lakh, the declarant is required to pay only 25% of the minimum penalty leviable along with the due tax and interest.

In respect of penalty appeals, the declarant shall get waiver of the 75% of the penalty levied and immunity from prosecution. In respect of specified tax, the declarant gets complete waiver of/immunity from levy of penalty and immunity from prosecution.

CBDT has received various queries from stakeholders seeking clarifications about various provisions of the Scheme. The issues raised have been examined and a set of 14 FAQs has been issued vide Circular No. 33 of 2016. The circular inter alia provides clarifications regarding eligibility of cases for the Scheme, fate of pending penalty appeals, determination of amount payable under the Scheme, right to appeal in other years, date of withdrawal of pending appeal and time limit for intimation of payment by the declarant and issuance of certificate by the designated authority.

The full text of the circular is available on the departmental website www.incometaxindia.gov.in

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