



SERVICE TAX

Voluntary Compliance Encouragement Scheme VCES - 2013



Frequently Asked Questions

**Central Board of Excise & Customs
Department of Revenue
Ministry of Finance
Government of India**



SERVICE TAX

Voluntary Compliance Encouragement Scheme (VCES), 2013 Frequently Asked Questions

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For complete information please refer to the Finance Act, 1994, rules made thereunder and notifications and circulars. For further information you may contact jurisdictional Service Tax office.



Sheila Sangwan
Special Secretary & Member

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MINISTRY OF FINANCE/DEPARTMENT OF REVENUE
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FOREWORD

The Service Tax Voluntary Compliance Encouragement Scheme (VCES) has been announced in this year's budget. It has come into effect from 10.5.2013. The objective of this Scheme is to encourage disclosure of tax dues and compliance of service tax law by the persons who have not paid service tax dues for the period from Oct. 2007 to Dec. 2012, either on account of ignorance of law or otherwise. VCES is the opportunity for such persons to pay the "tax dues" and come clean. On payment of "tax dues" relating to the period under VCES, there will be a complete waiver of interest, penalty and other consequences.

During the course of interaction with the trade associations on the VCES, certain issues have been raised for clarification and apprehensions have been expressed regarding certain provisions of the Scheme. These issues have been examined and the response of the department has been compiled in the form of Frequently Asked Questions (FAQ's) in this booklet. For ease of reference, the statutory provisions and the ST VCES Rules containing the VCES forms are also included in the booklet.

It is our expectation that the stakeholders would herein get the answers to their questions on the issues concerning VCES.

(Sheila Sangwan)

8th August, 2013

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FAQs

FREQUENTLY ASKED QUESTIONS ON SERVICE TAX VOLUNTARY COMPLIANCE ENCOURAGEMENT SCHEME (VCES), 2013

Q1. Whether a person who has not obtained service tax registration so far can make a declaration under VCES?

Any person who has tax dues to declare can make a declaration in terms of the provisions of VCES. If such person does not already have a service tax registration he will be required to take registration before making such declaration.

Q2. Whether a declarant shall get immunity from payment of late fee/penalty for having not taken registration earlier or not filed the return or for delay in filing of return.

Yes. It has been provided in VCES that, beside interest and penalty, immunity would also be available from any other proceeding under the Finance Act, 1994 and Rules made thereunder

Q3. Whether an assessee to whom show cause notice or order of determination has been issued can file declaration in respect of tax dues which are not covered by such SCN or order of determination?

In terms of section 106 (1) of the Finance Act, 2013 and second proviso thereto, the tax dues in respect of which any show cause notice or order of determination under section 72, section 73 or section 73A has been issued or which pertains to the same issue for the subsequent period are excluded from the ambit of the Scheme. Any other tax dues could be declared under the Scheme subject to the other provisions of the Scheme.

Q4. What is the scope of section 106 (2)(a)(iii)? Whether a communication from department seeking general information from the declarant would lead to invoking of section 106 (2) (a)(iii) for rejection of declaration under the said section?

Section 106 (2) (a)(iii) of the Finance Act, 2013 provides for rejection of declaration if such declaration is made by a person against whom an inquiry or investigation in respect of service tax not levied or not paid or short-levied or short paid, has been initiated by way of requiring production of accounts, documents or other evidence under the chapter or the rules made thereunder, and such inquiry or investigation is pending as on the 1st day of March, 2013.

The relevant provisions, beside section 14 of the Central Excise Act as made applicable to service tax vide section 83 of the Finance Act, 1994, under which accounts, documents or other evidences can be requisitioned by the Central Excise Officer for the purposes of inquiry or investigation, are as follows,- (i) Section 72 of the Act envisages requisition of documents and evidences by the Central Excise Officer if any person liable to pay service tax fails to furnish the return or having made a return fails to assess the tax in accordance with the provision of the Chapter or rules made thereunder. (ii) Rule 5A of the Service Tax Rules, 1994 prescribes for requisition of specified documents by an officer authorised by the Commissioner for the purposes specified therein.

The provision of section 106 (2)(a)(iii) shall be attracted only in such cases where accounts, documents or other evidences are requisitioned by the authorised officer from the declarant under the authority of any of the above stated statutory provisions and the inquiry so initiated against the declarant is pending as on the 1st day of March, 2013. No other communication from the department would attract the

provisions of section 106 (2)(a)(iii) and thus would not lead to rejection of the declaration.

- Q5. Whether the communications, wherein department has sought information of roving nature from potential taxpayer regarding their business activities without seeking any documents from such person or calling for his presence, while quoting the authority of section 14 of the Central Excise Act, 1944, would attract the provision of section 106 (2) (a)?**

Attention is invited to clarification issued at S. No. 4 of the circular No. 169/4/2013–ST, dated 13.5.2013, as regards the scope of section 106 (2) (a) of the Finance Act, 2013, wherein it has been clarified that the provision of section 106 (2)(a)(iii) shall be attracted only in such cases where accounts, documents or other evidence are requisitioned by the authorized officer from the declarant under the authority of a statutory provision.

A communication of the nature as mentioned in the question would not attract the provision of section 106 (2)(a) even though the authority of section 14 of the Central Excise Act may have been quoted therein.

- Q6. An assessee has two units at two different locations, say Mumbai and Ahmedabad. Both are separately registered. The Mumbai unit has received a show cause notice for non-payment of tax on a revenue stream but the Ahmedabad unit has not. Whether the Ahmedabad unit is eligible for VCES?**

Two separate service tax registrations are two distinct assesseees for the purposes of service tax levy. Therefore, eligibility for availing of the Scheme is to be determined accordingly. The unit that has not been issued a show cause notice shall be eligible to make a declaration under the Scheme.

Q7. Whether a declaration can be made under the Scheme in respect of cenvat credit wrongly utilized for payment of service tax?

Any service tax that has been paid utilizing the irregular credit, amounts to non-payment of service tax. Therefore such service tax amount is covered under the definition of “tax dues”.

Q8. Whether a party, against whom an inquiry, investigation or audit has been initiated after 1.3.2013 (the cutoff date) can make a declaration under the Scheme?

Yes. There is no bar from filing of declaration in such cases.

Q9. There was a default and a Show Cause Notice was issued for the period prior to the period covered by the Scheme, i.e. before Oct 2007. Whether declaration can be filed for default on the same issue for the subsequent period?

In the context of the Scheme, the relevant period is from Oct 2007 to Dec 2012. Therefore, the 2nd proviso to section 106 (1) shall be attracted only in such cases where a show cause notice or order of determination has been issued for the period from Oct 2007 to Dec 2012. Accordingly, issuance of a show cause notice or order of determination for any period prior to Oct 2007, on an issue, would not make a person ineligible to make a declaration under the Scheme on the same issue for the period covered by the Scheme. Therefore, declaration can be made under VCES.

Q10. In a case where the assessee has been audited and an audit para has been issued, whether the assessee can declare liability on an issue which is not a part of the audit para, under the VCES 2013?

Yes, declarant can declare the “tax dues” concerning an issue which is not a part of the audit para.

Q11. Whether a person, who has paid service tax for a particular period but failed to file return, can take the benefit of VCES Scheme so as to avoid payment of penalty for non- filing of return?

Under VCES a declaration can be made only in respect of “tax dues”. A case where no tax is pending, but return has not been filed, does not come under the ambit of the Scheme. However, rule 7C of the Service Tax Rules provides for waiver of penalty in deserving cases where return has not been filed and, in such cases, the assessee may seek relief under rule 7C.

Q12. A person has made part payment of his ‘tax dues’ on any issue before the scheme was notified and makes the declaration under VCES for the remaining part of the tax dues. Will he be entitled to the benefit of non-payment of interest/penalty on the tax dues paid by him outside the VCES, i.e., (amount paid prior to VCES)?

No. The immunity from interest and penalty is only for “tax dues” declared under VCES.

If any “tax dues” have been paid prior to the enactment of the scheme, any liability of interest or penalty thereon shall be adjudicated as per the provisions of Chapter V of the Finance Act, 1994 and paid accordingly.

Q13. Whether an assessee, who, during a part of the period covered by the Scheme, is in dispute on an issue with the department under an erstwhile provision of law, can declare his liability under the amended provisions, while continuing to litigate the outstanding liability under the erstwhile provision on the issue?

In terms of the second proviso to section 106 (1), where a notice or order of determination has been issued to a person in respect of any issue, no declaration shall be made by such person in respect of “tax dues” on the same

issue for subsequent period. Therefore, if an issue is being litigated for a part of the period covered by the Scheme, i.e., Oct, 2007 to Dec 2012, no declaration can be filed under VCES in terms of the said proviso on the same issue for the subsequent period.

Q14. Whether upon filing a declaration a declarant realizes that the declaration filed by him was incorrect by mistake? Can he file an amended declaration?

The declarant is expected to declare his tax dues correctly. In case the mistake is discovered suo-moto by the declarant himself, he may approach the designated authority, who, after taking into account the overall facts of the case may allow amendments to be made in the declaration, provided that the amended declaration is furnished by declarant before the cut off date for filing of declaration, i.e., 31.12.2013.

Q15. What is the consequence if the designated authority does not issue an acknowledgement within seven working days of filing of declaration? Whether the declarant can start making payment of the tax dues even if acknowledgement is not issued?

Department would ensure that the acknowledgement is issued in seven working days from the date of filing of the declaration. It may however be noted that payment of tax dues under the Scheme is not linked to the issuance of an acknowledgement. The declarant can pay tax dues even before the acknowledgement is issued by the department.

Q16. Whether declarant will be given an opportunity to be heard and explain his cases before the rejection of a declaration under section 106(2) by the designated authority?

Yes. In terms of section 106 (2) of the Finance Act, 2013, the designated authority shall, by an order, and for reasons to be recorded in writing, reject a declaration if any inquiry/

investigation or audit was pending against the declarant as on the cutoff date, i.e., 1.3.2013. An order under this section shall be passed following the principles of natural justice.

To allay any apprehension of undue delays and uncertainty, it is clarified that the designated authority, if he has reasons to believe that the declaration is covered by section 106 (2), shall give a notice of intention to reject the declaration within 30 days of the date of filing of the declaration stating the reasons for the intention to reject the declaration. For declarations already filed, the said period of 30 days would apply from the date of the circular.

The declarant shall be given an opportunity to be heard before any order is passed by the designated authority.

Q17. What is the appeal mechanism against the order of the designated authority whereby he rejects the declaration under section 106 (2) of the Finance Act, 2013?

The Scheme does not have a statutory provision for filing of appeal against the order for rejection of declaration under section 106 (2) by the designated authority.

Q18. A declarant pays a certain amount under the Scheme and subsequently his declaration is rejected. Would the amount so paid by him be adjusted against his liability that may be determined by the department?

The amount so paid can be adjusted against the liability that is determined by the department.

Q19. Section 111 prescribes that where the Commissioner of Central Excise has reasons to believe that the declaration made by the declarant was 'substantially false', he may serve a notice on the declarant in respect of such declaration. However, what constitutes a 'substantially false' declaration has not been specified.

The Commissioner would, in the overall facts of the case,

taking into account the reasons he has to believe, take a judicious view as to whether a declaration is 'substantially false'. It is not feasible to define the term "substantially false" in precise terms. The proceeding under section 111 would be initiated in accordance with the principles of natural justice.

To illustrate, a declarant has declared his "tax dues" as Rs 25 lakh. However, Commissioner has specific information that declaration has been made only for part liability, and the actual "tax dues" are Rs 50 lakh. This declaration would fall in the category of "substantially false". This example is only illustrative.

Q20. What is the consequence if a declarant fails to pay atleast 50% of declared amount of tax dues by the 31st Dec 2013?

One of the conditions of the Scheme [section 107 (3)] is that the declarant shall pay atleast an amount equal to 50% of the declared tax dues under the Scheme, on or before the 31.12.2013. Therefore, if the declarant fails to pay atleast 50% of the declared tax dues by 31st Dec, 2013, he would not be eligible to avail of the benefit of the scheme.

Q21. Whether the cenvat credit is admissible on the inputs/ input services used for provision of output service in respect of which declaration has been made under VCES for payment of any tax liability outside the VCES?

The VCES Rules 2013 prescribe that cenvat credit cannot be utilized for payment of tax dues under the Scheme. Accordingly the tax dues under the Scheme shall be paid in cash.

The admissibility of cenvat credit on any inputs and input services used for provision of output service in respect of which declaration has been made shall continue to be

governed by the provisions of the Cenvat Credit Rules, 2004.

Q22. (a) Whether the tax dues amount paid under VCES would be eligible as cenvat credit to the recipient of service under a supplementary invoice?

(b) Whether cenvat credit would be admissible to the person who pays tax dues under VCES as service recipient under reverse charge mechanism?

Rule 6(2) of the Service Tax Voluntary Compliance Encouragement Rules, 2013, prescribes that cenvat credit cannot be utilized for payment of tax dues under the Scheme. Except this condition, all issues relating to admissibility of cenvat credit are to be determined in terms of the provisions of the Cenvat Credit Rules.

As regards admissibility of cenvat credit in situations covered under part (a) and (b), attention is invited to rule 9(1)(bb) and 9(1)(e) respectively of the Cenvat Credit Rules.

Q23. In terms of section 106 (2)(b), if a declaration made by a person against whom an audit has been initiated and where such audit is pending, then the designated authority shall by an order and for reasons to be recorded in writing, reject such declaration. As the audit process may involve several stages, it may be indicated as to what event would constitute,-

(i) initiation of audit; and

(ii) culmination of audit.

Initiation of audit: For the purposes of VCES, the date of the visit of auditors to the unit of the taxpayer would be taken as the date of initiation of audit. A register is maintained of all visits for audit purposes.

Culmination of audit: The audit process may culminate in

any of the following manner.-

- (i) Closure of audit file if no discrepancy is found in audit;
- (ii) Closure of audit para by the Monitoring Committee Meeting (MCM);
- (iii) Approval of audit para by MCM and payment of amount involved therein by the party in terms of the provisions of the Finance Act, 1994;
- (iv) Approval of audit para by MCM, and issuance of SCN, if party does not agree to the para so raised.

The audit culminates at a point when the audit paras raised are settled in any manner as stated above.

The pendency of audit as on 1.3.2013 means an audit that has been initiated before 1.3.2013 but has not culminated as on 1.3.2013.

[FAQs 1 to 4 are based on Circular No. 169/4/2013 - ST dated 13/5/2013, and FAQs 5 to 23 are based on Circular No. 170/5/2013 - ST dated 8/8/2013. These Circulars may be accessed at www.cbec.gov.in]

THE FINANCE ACT, 2013 (17 of 2013)

CHAPTER VI

**SERVICE TAX VOLUNTARY COMPLIANCE
ENCOURAGEMENT SCHEME, 2013**

Short title.

104. This Scheme may be called the Service Tax Voluntary Compliance Encouragement Scheme, 2013.

Definitions.

105. (1) In this Scheme, unless the context otherwise requires, —

- (a) “Chapter” means Chapter V of the Finance Act, 1994;
- (b) “declarant” means any person who makes a declaration under sub-section (1) of section 107;
- (c) “designated authority” means an officer not below the rank of Assistant Commissioner of Central Excise as notified by the Commissioner of Central Excise for the purposes of this Scheme;
- (d) “prescribed” means prescribed by rules made under this Scheme;
- (e) “tax dues” means the service tax due or payable under the Chapter or any other amount due or payable under section 73A thereof, for the period beginning from the 1st day of October, 2007 and ending on the 31st day of December, 2012 including a cess leviable thereon under any other Act for the time being in force, but not paid as on the 1st day of March, 2013.

(2) Words and expressions used herein and not defined but defined in the Chapter or the rules made thereunder shall have the meanings respectively assigned to them in the Chapter or the rules made thereunder.

Person who may make declaration of tax dues.

106. (1) Any person may declare his tax dues in respect of which no notice or an order of determination under section 72 or section 73 or section 73A of the Chapter has been issued or made before the 1st day of March, 2013:

Provided that any person who has furnished return under section 70 of the Chapter and disclosed his true liability, but has not paid the disclosed amount of service tax or any part thereof, shall not be eligible to make declaration for the period covered by the said return.

Provided further that where a notice or an order of determination has been issued to a person in respect of any period on any issue, no declaration shall be made of his tax dues on the same issue for any subsequent period.

(2) Where a declaration has been made by a person against whom,—

(a) an inquiry or investigation in respect of a service tax not levied or not paid or short-levied or short-paid has been initiated by way of—

(i) search of premises under section 82 of the Chapter;
or

(ii) issuance of summons under section 14 of the Central Excise Act, 1944, as made applicable to the Chapter under section 83 thereof; or

(iii) requiring production of accounts, documents or other evidence under the Chapter or the rules made thereunder; or

(b) an audit has been initiated,

and such inquiry, investigation or audit is pending as on the 1st day of March, 2013, then, the designated authority shall, by an order, and for reasons to be recorded in writing, reject such declaration.

Procedure for making declaration and payment of tax dues.

107 (1) Subject to the provisions of this Scheme, a person may make a declaration to the designated authority on or before the 31st day of December, 2013 in such form and in such manner as may be prescribed.

(2) The designated authority shall acknowledge the declaration in such form and in such manner as may be prescribed.

(3) The declarant shall, on or before the 31st day of December, 2013, pay not less than fifty per cent. of the tax dues so declared under sub-section (1) and submit proof of such payment to the designated authority.

(4) The tax dues or part thereof remaining to be paid after the payment made under sub-section (3) shall be paid by the declarant on or before the 30th day of June, 2014:

Provided that where the declarant fails to pay said tax dues or part thereof on or before the said date, he shall pay the same on or before the 31st day of December, 2014 along with interest thereon, at such rate as is fixed under section 75 or, as the case may be, section 73B of the Chapter for the period of delay starting from the 1st day of July, 2014.

(5) Notwithstanding anything contained in sub-section (3) and sub-section (4), any service tax which becomes due or payable by the declarant for the month of January, 2013 and subsequent months shall be paid by him in accordance with the provisions of the Chapter and accordingly, interest for delay in payment thereof, shall also be payable under the Chapter.

(6) The declarant shall furnish to the designated authority details of payment made from time to time under this Scheme along with a copy of acknowledgement issued to him under sub-section (2).

(7) On furnishing the details of full payment of declared tax dues and the interest, if any, payable under the proviso to sub-section (4), the designated authority shall issue an acknowledgement of

discharge of such dues to the declarant in such form and in such manner as may be prescribed.

Immunity from penalty, interest and other proceeding.

108. (1) Notwithstanding anything contained in any provision of the Chapter, the declarant, upon payment of the tax dues declared by him under sub-section (1) of section 107 and the interest payable under the proviso to sub-section (4) thereof, shall get immunity from penalty, interest or any other proceeding under the Chapter.

(2) Subject to the provisions of section 111, a declaration made under sub-section (1) of section 107 shall become conclusive upon issuance of acknowledgement of discharge under sub-section (7) of section 107 and no matter shall be reopened thereafter in any proceedings under the Chapter before any authority or court relating to the period covered by such declaration.

No refund of amount paid under the Scheme.

109. Any amount paid in pursuance of a declaration made under sub-section (1) of section 107 shall not be refundable under any circumstances.

Tax dues declared but not paid.

110. Where the declarant fails to pay the tax dues, either fully or in part, as declared by him, such dues along with interest thereon shall be recovered under the provisions of section 87 of the Chapter.

Failure to make true declaration.

111. (1) Where the Commissioner of Central Excise has reasons to believe that the declaration made by a declarant under this Scheme was substantially false, he may, for reasons to be recorded in writing, serve notice on the declarant in respect of such declaration requiring him to show cause why he should not pay the tax dues not paid or short-paid.

(2) No action shall be taken under sub-section (1) after the

expiry of one year from the date of declaration.

(3) The show cause notice issued under sub-section (1) shall be deemed to have been issued under section 73, or as the case may be, under section 73A of the Chapter and the provisions of the Chapter shall accordingly apply.

Removal of doubts.

112. For the removal of doubts, it is hereby declared that nothing contained in this Scheme shall be construed as conferring any benefit, concession or immunity on the declarant other than the benefit, concession or immunity granted under section 108.

Power to remove difficulties.

113. (1) If any difficulty arises in giving effect to the provisions of this Scheme, the Central Government may, by order, not inconsistent with the provisions of this Scheme, remove the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Scheme come into force.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

Power to make rules.

114. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Scheme.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form and the manner in which a declaration may be made under subsection (1) of section 107;

(b) the form and the manner of acknowledging the declaration under sub-section (2) of section 107;

(c) the form and the manner of issuing the acknowledgement of discharge of tax dues under sub-section (7) of section 107;

(d) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

(3) The Central Government shall cause every rule made under this Scheme to be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**Service Tax Voluntary Compliance
Encouragement Rules, 2013**

[Notification No.10/2013 - ST dated 13/5/2013]

G.S.R.....(E).- In exercise of the powers conferred by sub-sections (1) and (2) of section 114 of the Finance Act, 2013 (17 of 2013), the Central Government hereby makes the following rules regarding the form and manner of declaration, form and manner of acknowledgement of declaration, manner of payment of tax dues and form and manner of issuing acknowledgement of discharge of tax dues under the Service Tax Voluntary Compliance Encouragement Scheme, 2013, namely:-

1. Short title and commencement.— (1) These rules may be called the Service Tax Voluntary Compliance Encouragement Rules, 2013.

(2) They shall come into force on the date of its publication in the Gazette of India.

2. Definitions.— (1) In these rules, unless the context otherwise requires, -

(a) “Act” means the Finance Act, 2013;

(b) “Form” means the Forms annexed to these rules.

(c) “Scheme” means the Service Tax Voluntary Compliance Encouragement Scheme, 2013 as specified in the Act;

(2) Words and expressions used but not defined in these rules but defined in the Scheme shall have the meanings respectively assigned to them in the Scheme.

3. Registration. – Any person, who wishes to make a declaration under the Scheme, shall, if not already registered, take registration under rule 4 of the Service Tax Rules, 1994.

4. Form of declaration. – The declaration under sub-section (1) of section 107 of the Act, in respect of tax dues under the

Scheme shall be made in Form VCES -1.

5. Form of acknowledgment of declaration. – The designated authority on receipt of declaration shall issue an acknowledgement thereof, in Form VCES -2, within a period of seven working days from the date of receipt of the declaration.

6. Payment of tax dues.– (1) The tax dues payable under the Scheme along with interest, if any, under section 107 of the Act shall be paid to the credit of the Central Government in the manner prescribed for the payment of service tax under the Service Tax Rules, 1994.

(2) The CENVAT credit shall not be utilised for payment of tax dues under the Scheme.

7. Form of acknowledgement of discharge.– (1) The designated authority shall issue an acknowledgement of discharge under sub-section (7) of section 107 of the Act, in Form VCES-3.

(2) The acknowledgement of discharge shall be issued within a period of seven working days from the date of furnishing of details of payment of tax dues in full along with interest, if any, by the declarant.

VERIFICATION

I.....(name in block letters) son/daughter of Shri..... solemnly declare that I have read and understood the Service Tax Voluntary Compliance Encouragement Scheme as contained in Chapter VI of the Finance Act 2013, and to the best of my knowledge and belief -

- (a) the information given in this declaration and the enclosures accompanying it are correct and complete and the amount of tax dues and other particulars shown therein are truly stated;
- (b) the tax dues declared above do not attract the provisions of sub-section (1), including the provisos thereto, of section 106 of the Act;
- (c) no inquiry, investigation or audit is pending against the declarant as on the 1st day of March 2013 as envisaged in sub-section (2) of section 106 of the Act;

I further declare that I am authorised to make this declaration and verify it on behalf of the declarant in the capacity as

Enclosures:

S. No.	Details of enclosure/statement annexed
1	Calculation sheet in respect of tax dues (refer S. No. 6 above and the instructions)
2	Any other documents (please specify)

Signature of the declarant/authorised person with stamp

Place: _____ **Date:** _____

Declaration No.									
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Date									
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(To be assigned by the department)

Instructions:

1. The Scheme has been prescribed in the Chapter VI of the Act. The provisions contained therein may please be read carefully (refer www.cbec.gov.in).
2. This Form shall be submitted to the Central Excise Officer notified as designated authority under section 105(c) of the Act.
3. The tax dues may be computed separately for each service if the tax dues relates to more than one service during the period of declaration.
4. For calculation of tax dues, the manner as prescribed at S. No. 3F (I), or as the case may be the Part 'B' of the Form ST-3, as existed during the relevant period, may be used and calculation of tax dues may be furnished tax return period wise
5. Calculation sheet showing the tax dues calculation may please be enclosed with this declaration.
6. Obtain an acknowledgment from the designated authority in form VCES -2.
7. The declarant may approach the designated authority for any clarification.

FORM VCES-2

[Acknowledgment of declaration issued under sub-section (2) of section 107 of the Act]. [See rule 5]

No.									
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Receipt of a declaration filed under sub-section (1) of section 107 of the Act, as per the details below, is acknowledged.

1	Declaration No.		Date	
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2.	Name of the declarant	
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3	Address of the declarant	
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4	STC No.	
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5	Tax dues declared	₹	
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6	Schedule for payment of tax dues	
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A	Minimum amount to be paid on or before the 31 st Dec, 2013 (50% of the tax dues)	₹	
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B	Remaining tax dues to be paid on or before the 30th June, 2014 [amount at S.No. 5(-)Amount at S. No. 6A]	₹	
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E	Total Tax dueAny tax dues remaining unpaid as on 1 st day of July,2014 shall be paid before the 31 st December,2014 along with interest, as prescribed under section 75 or as the case may b, section 73B of the Finance Act, 1994 for the period of delay starting from the 1 st day of July,2014.
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Signature, name and seal of designated authority

Place: _____ **Date:** _____

Instructions:

1. This acknowledgment has been issued on the basis of declaration furnished by the declarant and it does not certify the correctness of the declaration made. This declaration does not certify payment of any tax dues.
2. Certificate of discharge in form VCES -3 shall be issued only upon full payment of tax dues along with interest if any, as per the details at S. No. 6 above.
3. If any amount declared as tax dues under the Scheme remain unpaid as on 1.1.2015, the same shall be recoverable under section 87 of the Finance Act, 1994.
4. For any clarification, the declarant may get in touch with the designated authority

FORM VCES-3

ACKNOWLEDGEMENT OF DISCHARGE

[Issued under sub-section (7) of section 107 of the Act]

[See rule 7]

No.

This acknowledgment of discharge has been issued under sub-section (7) of section 107 of the Act, to ACKNOWLEDGE that the tax dues declared under sub-section (1) of section 107 of the Act have been paid, in respect of declaration so made as per the following details.

1	Declaration No. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		Date <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
2.	Name of the declarant	<input type="text"/>	
3	Address of the declarant	<input type="text"/>	
		<input type="text"/>	
4	STC No.	<input type="text"/>	
5	Tax dues declared under the Scheme	₹	<input type="text"/>
6	Payment of tax dues		
A	Tax dues paid on or before 31.12.2013	₹	<input type="text"/>
B	Tax dues paid after 31.12.2013 but on or before 30.6.2014	₹	<input type="text"/>
C	Tax dues paid after 30.6.2014 but on or before 31.12.2014	₹	<input type="text"/>
D	Interest paid under section 107 (4) on amount mentioned at '6C'	₹	<input type="text"/>
E	Total amount paid (A+B+C+D)	₹	<input type="text"/>
7	Details of challan(s)		
	Challan No(s)(CIN)	Amount	
	<input type="text"/>	<input type="text"/>	

Signature, name and seal of designated authority

Place:

Date:

