

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**LOK SABHA**

**UNSTARRED QUESTION NO. 4824**

TO BE ANSWERED ON MONDAY 23<sup>RD</sup> MARCH, 2020 CHAITRA 3, 1942 (SAKA)

**DIRECT TAX IMMUNITY SCHEME**

4824. SHRI G.S. BASAVARAJ:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is true that with more than 5,00,000 cases still pending at different levels of tax pipeline with disputed amount worth Rs.7-8 trillion, the Government proposes to launch an immunity scheme for the direct tax assesseees and if so, the details thereof;
- (b) whether amnesty or immunity schemes affect the firmness of tax laws and would discourage tax payers from filing their dues accurately and at the same time be unfair to honest taxpayers and if so, the details thereof; and
- (c) whether the Government proposes to think again on continuing with such amnesty/immunity schemes keeping in view the hindsight gained from the results of such amnesty or immunity schemes since 1950 and if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)

(a)to(c) During the Union Budget, 2020 presentation, the 'Vivad se Vishwas' Scheme was announced to provide for dispute resolution in respect of pending income tax litigation. Pursuant to Budget announcement, the Direct tax Vivad se Vishwas Act (3 of 2020) (*hereinafter 'the Act'*) was enacted on 17.03.2020. Subsequently the Direct tax Vivad se Vishwas Rules, 2020 have been notified vide S.O. No. 1129(E) in the Official Gazette on 18.03.2020.

The objective of the Act is to inter alia reduce pending income tax litigation, generate timely revenue for the Government and benefit taxpayers by providing them peace of mind and certainty with respect to their tax liability. Upon payment of the taxes due to the Government, interest is waived and immunity is granted from penalty and prosecution under the Income-tax Act, 1961 subject to fulfillment of certain conditions as mentioned in the Act. Further, the Act excludes certain class of persons, if there is inter-alia prosecution initiated under Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974, the Unlawful Activities (Prevention) Act, 1967, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Prevention of Corruption Act, 1988, the Prevention of Money Laundering Act, 2002 or the Prohibition of Benami Property Transactions Act, 1988. Also cases, where prosecution has been initiated or conviction is made in respect of offence under Indian Penal Code (IPC) by Income-tax Department are also excluded.

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