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SHRI P. CHIDAMBARAM RELEASES FAQ ON SERVICE TAX VCES

SAYS: SCHEME A GOLDEN OPPURTUNITY FOR DEFAULTERS TO COME CLEAN

New Delhi: August 08, 2013

Union Finance Minister Shri. P. Chidambaram released a booklet containing Frequently Asked Questions (FAQ) on Service Tax Voluntary Compliance Encouragement Scheme, 2013 in New Delhi today in the presence of Revenue Secretary, Chairperson and other members of Central Board of Excise & Customs and media. He also released a Logo of Service Tax Voluntary Compliance Encouragement Scheme, 2013 on the occasion. Speaking at the Event, Shri Chidambaram said that the scheme offering “no penalty, no interest”, provides one time opportunity to the defaulters to come clean. He further said that over ten lakhs defaulters have been identified. The Minister said that 1400 defaulters have already filed their declarations amounting to Rs 650 crores. The Minister hoped that the scheme will result in substantial disclosure by non-filers. The Minister exhorted the service tax assessees to make use of this golden opportunity and pay their tax dues to avail immunity from interest, penalty and other proceedings. He further said that the FAQs released today are based on inputs received from various agencies and quarters and would be of immense use for the compliers.

Service Tax Voluntary Compliance Encouragement Scheme (VCES) announced by the Finance Minister in his Budget speech has come into effect on 10th May, 2013. The objective of the 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. On payment of the tax dues relating to the said period there will be complete waiver of interest, penalty and other proceedings/ consequences.

The Frequently Asked Questions (FAQ) booklet on VCES contains clarifications on doubts and queries about the scheme. For ease of reference, the statutory provisions and the VCES Rules containing the VCES forms are also included in the booklet.

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