

SERVICE TAX

Service Tax (Settlement of Cases) Rules and Service Tax (Compounding of Offences) Rules notified by the Board

With effect from 28.05.2012, the provisions relating to Settlement Commission have been made applicable to service tax vide the Finance Act, 2012. Consequently, CBEC has notified the Service Tax (Settlement of Cases) Rules, 2012 to carry out the provisions of the Act. The Rules are issued on the lines similar to the Central Excise (Settlement of Cases Rules), 2007. An application for settlement is to be made in the Form SC(ST)-1. Such Form has also been notified by the Board.

The Board has also notified the Service Tax (Compounding of Offences Rules) Rules, 2012. Provisions of section 9A(2) of the Central Excise Act, 1944 deal with compounding of offences, which have been made applicable to service tax vide section 83 of the Finance Act, 1994. Compounding is a process whereby an accused pays a prescribed amount (known as compounding charges) in lieu of prosecution.

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Feedback

The Indirect Taxes Update is an endeavour of the Indirect Taxes Committee to apprise the readers about the amendments made in various central indirect tax laws vide significant notifications, circulars etc. We welcome your feedback on the Update and its contents.

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