

SERVICE TAX Clarification on the issues in VCES

CBEC has issued a *Circular No. 170/5/2013- ST dated 08.08.2013* to clarify various issue raised by trade and commerce in regard to Voluntary Compliance Encouragement Scheme (VCES). Following major issues has been clarify by the circular :

- In case of multiple units having separate registrations, the unit(s) wherein no show cause notice for non-payment of tax has been issued is eligible to make a declaration under the Scheme.
- In case declaration filed by declarant was incorrect, the declarant *suo-motto* file an amended declaration on or before 31.12.2013 and designated authority may allow the same after taking into the overall facts.
- In case declaration filed by declarant is rejected, a notice of intention to reject the declaration will be given to the declarant within 30 days from the date of filing of declaration or date of circular, whichever is later to give an opportunity of being heard before the rejection.
- The CENVAT credit on any inputs and input services used for provision of output service in respect of which declaration has been made, may be allow as per the provisions of the Cenvat Credit Rules, 2004. However, "Tax dues" under the scheme shall be paid in cash.
- A mere information of roving nature regarding their business activity would not attract provision of section 106(2)(a) even though section 14 of the Central excise Act may be quoted.
- Declarant can declare the "tax dues" on an issue, which is not a part of the audit para.

for further details, copy of the circular may be downloaded from the below link :

<http://www.servicetax.gov.in/circular/st-circular13/st-circ-170-2013.htm>

Source: *Circular No. 170/5 /2013 – ST dated 08.08.2013*

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Feedback

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