

F. No. IT(A)/1/2020-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, 4th March, 2021

Sub.: Circular under section 10 of the Direct Tax Vivad se Vishwas Act, 2020 – reg.

The Direct Tax Vivad se Vishwas Act, 2020 (“*Vivad se Vishwas*”) was enacted on 17th March, 2020 with the objective of *inter alia* reducing pending income tax disputes, generating timely revenue for the Government and benefitting taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process to resolve the disputes.

2. Sub-section (1) of section 5 of *Vivad se Vishwas* provides that the designated authority (hereinafter referred to as “DA”) shall pass a determination order within fifteen days from the date of receipt of the declaration. The DA is also required to pass another order under sub-section (2) of section 5 of *Vivad se Vishwas* for full and final settlement of the tax arrear.

3. Representations have been received from the field authorities that under the Income-tax Act, 1961 (hereinafter referred to as “the Act”) there is no provision available to the Assessing Officer to give effect to the order passed by the DA under sub-section (1) of section 5 and under sub-section (2) of section 5 of the *Vivad se Vishwas* in the case of a declarant. Since orders passed by the DA have a consequential effect under the Act, it has been requested that suitable clarifications may be issued to enable the AO to pass consequential orders under the Act.

4. In view of the foregoing, and in exercise of the powers conferred on the Board under section 10 of *Vivad se Vishwas*, it is hereby clarified that where the DA has passed orders under sub-sections (1) and (2) of section 5 of *Vivad se Vishwas*, the Assessing Officer shall pass consequential order under the Act.

Shefali
04/03/2021
(Shefali Singh)

Under Secretary, TPL-IV

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