

# STATEMENT OF FINANCIAL TRANSACTION OR REPORTABLE ACCOUNT (SFTRA)

## **SECTION 285BA: FURNISHING OF STATEMENT OF FINANCIAL TRANSACTIONS**

**Statement of Financial Transaction or Reportable Account (SFTRA) in respect of a financial year shall be furnished to prescribed income tax authority by every person mentioned in column (3) of the Table below in respect of all the transactions specified in column (2) of the Table, which are registered or recorded by him :—**

S. No.	Nature and value of transaction (2)	(Reporting person) (3)
(1)	(2)	(3)
1.	(a) Payment made in cash for <b>purchase of bank drafts or pay</b> orders or banker's cheque of an amount aggregating to <b>₹10 lakh or more</b> in a financial year. (b) <b>Payments made in cash aggregating to ₹10 lakh or more</b> during the financial year for <b>purchase of pre-paid instruments issued by Reserve Bank of India</b> . (c) Cash deposits or cash withdrawals (including through bearer's cheque) aggregating to ₹50 lakh or more in a financial year, in or from one or more current account of a person.	A banking company or a co-operative bank.
2.	<b>Cash deposits aggregating to ₹10 lakh or more</b> in a financial year, in one or more accounts ( <b>other than a current account and time deposit</b> ) of a person.	(i) A banking company or a co-operative bank (ii) Post Master General.
3.	<b>One or more time deposits</b> (other than a time deposit made through renewal of another time deposit) of a person <b>aggregating to ₹10 lakh or more</b> in a financial year of a person.	(i) A banking company or a co-operative bank (ii) Post Master General; (iii) Nidhi Company; (iv) Non-banking financial company.
4.	Payments made by any person of an amount aggregating to—	A banking company or a co-operative bank or any other

	(i) ₹1 lakh or more in cash; or (ii) ₹10 lakh or more by any other mode, against bills raised in respect of one or more credit cards issued to that person, in a financial year.	company or institution issuing credit card.
5.	Receipt from any person of an amount aggregating to ₹10 lakh or more in a financial year for acquiring bonds or debentures issued by the company or institution (other than the amount received on account of renewal of the bond or debenture issued by that company).	A company or institution issuing bonds or debentures.
6.	Receipt from any person of an amount aggregating to ₹10 lakh or more in a financial year for acquiring shares (including share application money) issued by the company.	A company issuing shares.
7.	<b>Buy back of shares</b> from any person (other than the shares bought in the open market) for an amount or value aggregating to ₹10 lakh or more in a financial year.	<b>A company listed on a recognised stock exchange purchasing its own securities.</b>
8.	Receipt from any person of an amount aggregating to ₹10 lakh or more in a financial year for acquiring units of one or more schemes of a Mutual Fund (other than the amount received on account of transfer from one scheme to another scheme of that Mutual Fund).	A trustee of a Mutual Fund.
9.	Receipt from any person for <b>sale of foreign currency</b> including any credit of such currency to foreign exchange card or expense in such currency through a debit or credit card or through issue of travellers cheque or draft or any other instrument of an amount aggregating to ₹10 lakh or more during a financial year.	Authorised person as referred to in the Foreign Exchange Management Act, 1999.
10.	<b>Purchase or sale</b> by any person of immovable property for an amount of ₹30 lakh or more or valued by the stamp valuation authority referred to in section 50C at ₹30 lakh or more.	Registrar or Sub-Registrar
11.	Receipt of <b>cash payment exceeding ₹2 lakh for sale</b> , by any person, of goods or services of any nature (other than those specified at S. Nos. 1 to 10 of this rule, if any.)	<b>Any person who is liable for audit under section 44AB.</b>
12.	<b>Capital gains on transfer of listed securities or units of Mutual Funds</b>	(i) <b>Recognised Stock Exchange:</b> (ii) <b>Depository as defined in section 2(1)(e) of the Depositories Act, 1996</b> (iii) <b>Recognised Clearing Corporation;</b> (iv) <b>Registrar to an issue and share transfer agent registered under section 12(1) of the Securities</b>

		<b>and Exchange Board of India Act, 1992.</b>
13.	<b>Dividend income</b>	<b>A company</b>
14.	<b>Interest income</b>	<p>(i) A banking company or a co-operative bank to which the Banking Regulation Act, 1949 applies (including any bank or banking institution referred to in section 51 of that Act);</p> <p>(ii) Post Master General as referred to in section 2(j) of the Indian Post Office Act, 1898;</p> <p>(iii) Non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934, to hold or accept deposit from public.</p>

**Note 1:** The reporting person mentioned in column (3) of the Table (**other than the persons at Sl. No. 10, 11, 12, 13 and 14**) shall, while aggregating the amounts for determining the threshold amount for reporting in respect of any person as specified in column (2) of the said Table,—

- (a) take into account all the accounts of the same nature as maintained in respect of that person during the financial year;
- (b) aggregate all the transactions of the same nature as recorded in respect of that person during the financial year;
- (c) attribute the entire value of the transaction or the aggregated value of all the transactions to all the persons, in a case where the account is maintained or transaction is recorded in the name of more than one person; (Joint Account)
- (d) apply the threshold limit separately to deposits and withdrawals in respect of transaction specified in item (c) under column (2), against Sl. No. 1 of the said Table.

**Note 2:** SFTRA shall be furnished on or before the 31st May, immediately following the financial year in which the transaction is registered or recorded:

**Note 3: Notice under section 285BA:** Where a person who is required to furnish a SFTRA under section 285BA has not furnished the same within the specified time, the prescribed income-tax authority may serve upon such person a notice requiring him to furnish such statement within 30 days from the date of service of such notice and he shall furnish the SFTRA within the time specified in the notice.

**Note 4:** Where the prescribed income-tax authority considers that SFTRA is **defective**, he may intimate the defect to the person who has furnished such statement and give him an opportunity of rectifying the defect within a period

of thirty days from the date of such intimation or within such further period which, on an application made in this behalf, the said income-tax authority may, in his discretion, allow; and if the defect is not rectified within the said period of thirty days or, as the case may be, the further period so allowed, then, notwithstanding anything contained in any other provision of this Act, **THE PROVISIONS OF THIS ACT SHALL APPLY AS IF SUCH PERSON HAD FURNISHED INACCURATE INFORMATION IN THE STATEMENT.**

**Note 5:** The information relating to Capital Gains on transfer of listed securities or units of Mutual Funds shall be furnished on a quarterly basis by the 25<sup>th</sup> of the month immediately succeeding the last month of the quarter in which such securities/ units are sold.

**Note 6:** The information relating to interest income is required to be reported separately for each account type (savings, current, term deposit, etc.)

**Note 7:** Interest exempt under Income-tax Act such as interest on PPF, FCNR, RFC, Sukanya Samridhhi, etc. need not be reported.

**SECTION 271FA: PENALTY FOR FAILURE TO FURNISH STATEMENT OF FINANCIAL TRANSACTION OR REPORTABLE ACCOUNT**

If a person who is required to furnish SFTRA under section 285BA, **fails to furnish such statement within the time prescribed**, the prescribed income-tax authority may direct that such person shall pay, by way of penalty, a sum of **₹500 for every day** during which such failure continues.

Where such person **fails to furnish the statement within the period specified in the notice issued under section 285BA**, he shall pay, by way of penalty, a sum of **₹1,000 for every day** during which the failure continues, beginning from the day immediately following the day on which the time specified in such notice for furnishing the statement expires.

**SECTION 271FAA: PENALTY FOR FURNISHING INACCURATE STATEMENT OF FINANCIAL TRANSACTION OR REPORTABLE ACCOUNT**

If a person who is required to furnish SFTRA **provides inaccurate information in the statement**, and where—

- (a) **the inaccuracy is due to a failure to comply with the due diligence requirement** or is deliberate on the part of that person; or
- (b) the person knows of the inaccuracy at the time of furnishing the statement of financial transaction or reportable account, **but does not inform the prescribed income-tax authority or such other authority or agency**; or
- (c) the person discovers the inaccuracy after the statement of financial transaction or reportable account is furnished **and fails to inform and furnish correct information within 10 days**,

then, the prescribed income-tax authority may direct that such person shall pay, by way of penalty, **a sum of ₹ 50,000**.