



**Outreach Programme by DIT(I&CI), Mumbai
17 MAY 2018**

**Furnishing of Statement of Financial Transactions
(Form 61A)**

WHAT IS SFT ?

- A Statement to be furnished to the Income-Tax Department by specified Reporting persons in Form 61A in respect of specified financial transactions in a financial year.
- **Section 285BA** casts obligation on prescribed third parties to file SFT regarding specified high value transactions entered before them during a year.
- **Rule 114E** specifies these transactions and is **effective from 01.04.2016.**

AIR TO SFT- CHANGES

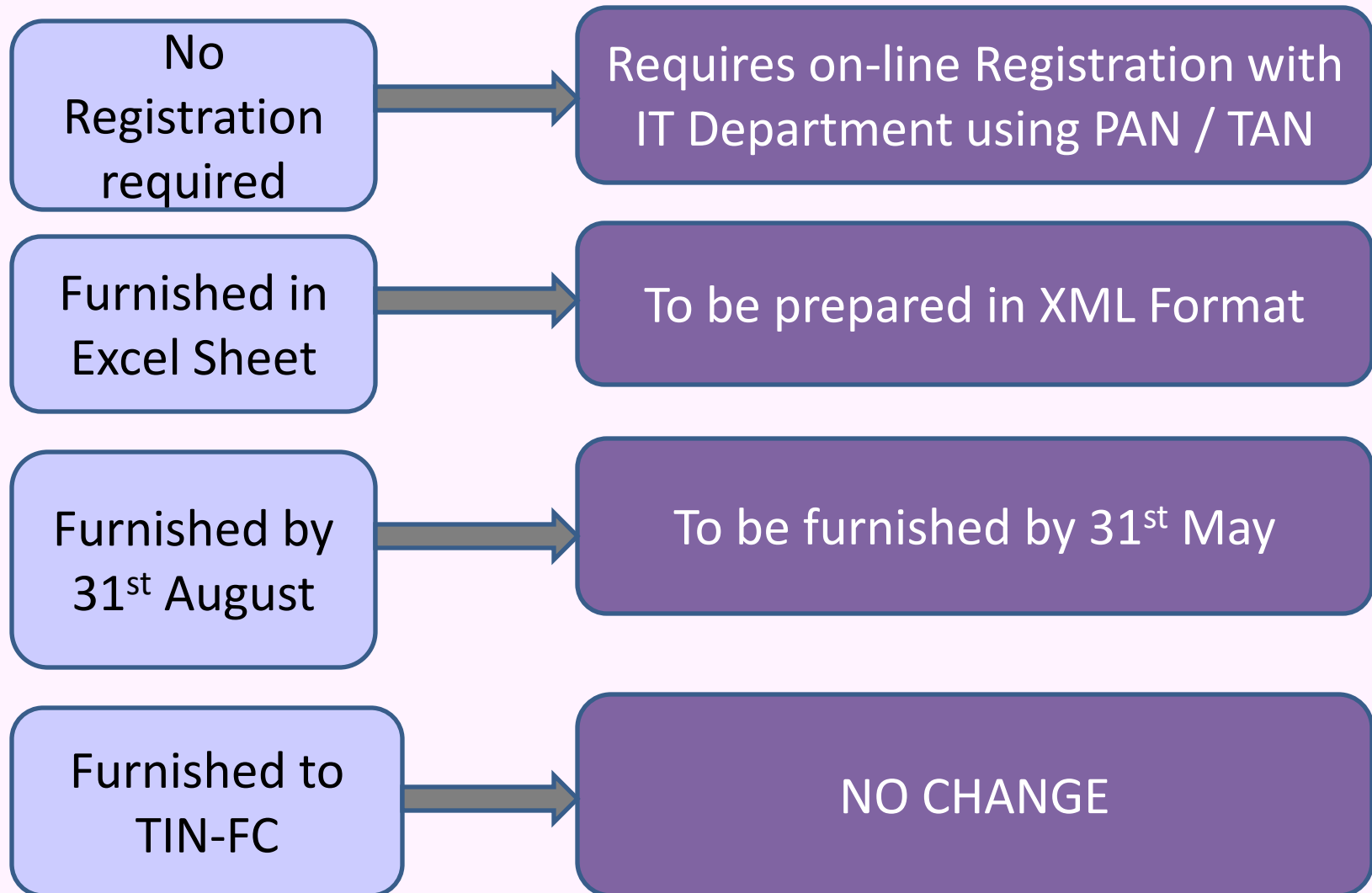
Changes in types of financial transactions and threshold limits.

New proforma of Form 61A- requiring more details.

Preponement of date of filing SFT form 31st Aug to 31st May. (Extended to 30th June for F.Y. 2016-17).

Entities covered U/s 44AB of the Income-Tax Act also included in the gamut of SFT in respect of receipt of cash payment over Rs 2 lakhs for sale, by any person, of goods or services.

HOW DIFFERENT FROM PRECEDING YEARS



LEGAL FRAMEWORK

PROCEDURES	INCOME –TAX ACT, 1961	INCOME-TAX RULE, 1962	FORM
Mandatory quoting of PAN	139A(5)(c)	114B 114C 114D	FORM 60 FORM 61
Filing of SFT	285BA	114E	FORM 61A

PAN MANDATORY - RULE 114B w.e.f 01/01/2016 – TRANSACTIONS RELEVANT TO FINANCIAL INSTITUTIONS.

<u>Sl.No.</u>	<u>Nature of transaction</u>	<u>Value of transaction (in Rs.)</u>
1	Opening an account with a bank or a co-operative bank (Other than a time deposit or a Basic Savings Bank Deposit Account)	All transactions.
2	Issue of a credit or debit card.	All transactions.
3	Opening of a demat account	All transactions.
4	Acquiring RBI Bonds	>50,000
5	Deposit with a bank /co-operative bank	Cash Deposit during any one day > 50,000
6	Purchase of bank drafts or pay orders or banker's cheques from a bank / co-operative bank	Cash Payment during any one day > 50,000
7	A time deposit with (i)a banking company / co-operative bank / Post Office / Nidhi / NBFC holding certificate of registration under RBI Act.	Amount > 50,000 or aggregating to > 5,00,000 in a F.Y.
8	Payment for one or more pre-paid payment instruments, to a bank / co-operative bank	Payment in cash / bank draft / pay order / banker's cheque > 50,000 in a FY

RULE 114B– Other Clauses

<u>Nature of Transaction</u>	<u>Value (in Rs)</u>
Sale or purchase of motor vehicle (Other than two wheelers).	All transactions
Payment to hotel/restaurant against bill (s) at any one time.	Cash payment \geq 50,000
Payment for foreign travel/Purchase of foreign currency at any one time.	Cash payment \geq 50,000
Payment to a Mutual Fund for purchase of its units.	\geq 50,000
Payment to a company or an institution for acquiring bonds/debentures issued by it.	\geq 50,000
Life insurance premium	>50,000
Sale/purchase of securities	> 1 lakh
A contract for purchase/sale of unlisted shares	> 1 lakh
Sale/purchase of immovable property	> 10 lakh – sale value or valued by Stamp Valuation authority at more than 10 lakh.
Sale/purchase of any goods/services	>2 lakh/transaction (other than those listed above)

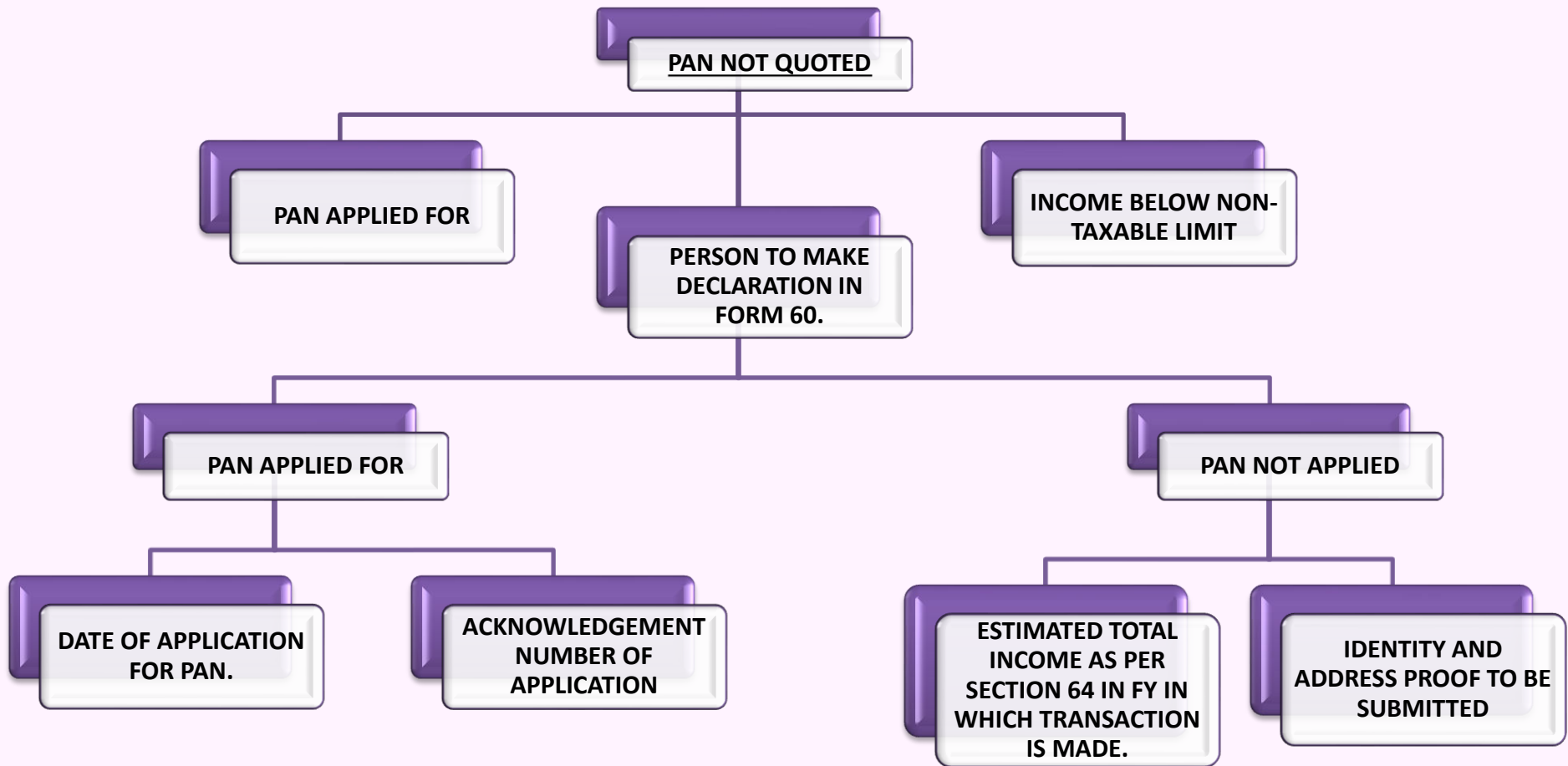
Where a person is a minor and does not have any income chargeable to income tax, he shall quote the PAN of his father or mother or guardian in the document pertaining to the aforesaid transactions.

RULE-114B (Contd.)

CHANGES VIDE NOTIFICATION DATED 15/11/2016

<u>BEFORE 15/11/2016</u>			<u>FROM 15/11/2016</u>		
(1)	(2)	(3)	(1)	(2)	(3)
Sl. No.	Nature of transaction	Value of transaction	Sl. No.	Nature of transaction	Value of transaction
10.	Deposit with a banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act).	Deposit in cash exceeding fifty thousand rupees during any one day.	10.	<u>Deposit with –</u> (i) a banking company or a cooperative bank to which the Banking Regulation Act, 1949, applies. (ii) <u>Post Office</u>	<u>Cash deposits –</u> (i) Exceeding Rs. 50,000/- during any one day; or (ii) <u>Aggregating to more than Rs. 2,50,000/- b/w 09-11-2016 to 30-12-2016.</u>

FORM 60 (WHERE NO PAN)



Expanded scope of no PAN declaration – Persons earning only agricultural income are also now required to file Form 60 instead of old Form 61.

RULE 114C w.e.f 01.01.2016

ALL SPECIFIED REPORTING PERSONS



WHO HAS RECEIVED ANY DOCUMENT W.R.T ANY TRANSACTION SPECIFIED IN RULE 114B.



SHALL ENSURE, AFTER VERIFICATION, THAT

***The quoted PAN has been correctly mentioned.**

***A declaration in Form 60 has been duly furnished with complete particulars.**

RULE-114C (Contd.)

FURTHER CHANGES VIDE NOTIFICATION DATED
06/01/2017

- ***After sub-rule (2), the following sub-rule shall be inserted, namely:— “3. The person referred to in sub-rule (1) or sub-rule (2) who has received any document in which permanent account number is mentioned or as the case may be, a declaration in Form No.60 has been furnished, shall ensure that the valid permanent account number or the fact of furnishing of Form No.60, is duly mentioned in the records maintained for the transactions referred to in rule 114B and the permanent account number or the details of Form No.60 are linked and mentioned in any information furnished to the income-tax authority or any other authority or agency under any provision of the Act or any rule prescribed therein.”***

RULE 114D w.e.f 01.01.2016 – FORM-61

1. Furnish to DIT(I&CI) / Jt. DIT(I&CI) a statement in **Form 61** containing particulars of declaration received in **Form – 60**.

2. The statement to be furnished through online transmission of electronic data to a server designated for this purpose.

All persons referred to in Rule 114C receiving any declaration in Form 60 on or after 01.01.2016 w.r.t. a transaction specified in Rule 114B.

3. Acknowledgement number to be obtained after transmission of data.

4. **Form 60** to be retained for a period of **06 years** from the end of the F.Y in which the transaction was made.

RULE 114D (Contd.)

BEFORE 06/01/2017	AFTER 06/01/2017
(1)	(2)
<u>Time line for submission of Statement in Form 61</u>	



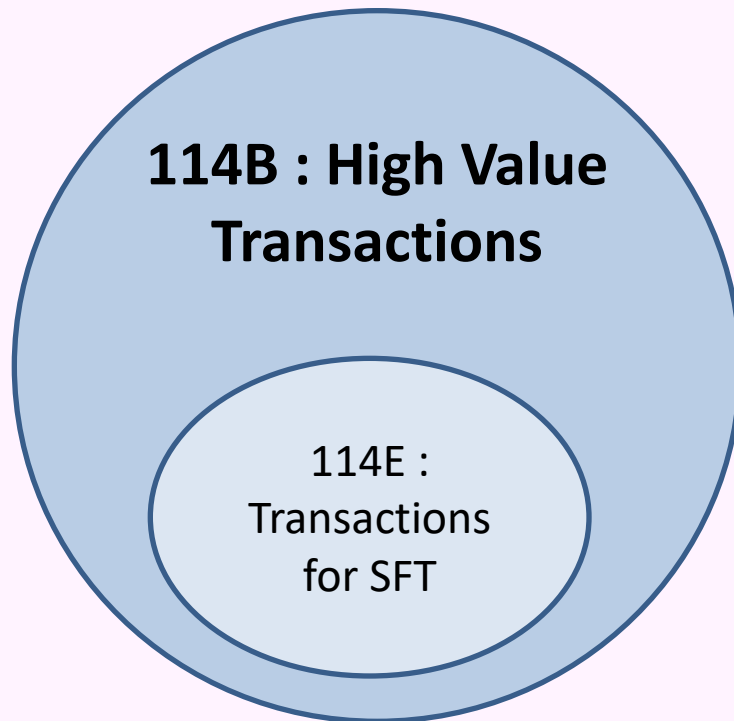
31st October - For
declarations received
till 30th September

30th April - For
declarations received
till 31st March

TRANSACTION TYPES

	Description	
SFT- 001	:Purchase of bank drafts or pay orders in cash	Aggregate 10 Lakhs in FY
SFT- 002	:Purchase of pre-paid instruments in cash	Aggregate 10 Lakhs in FY
SFT- 003	:Cash deposit or withdrawal in current account	Aggregate 50 Lakhs in FY
SFT- 004	:Cash deposit (other than current account & time deposit)	Aggregate 10 Lakhs in FY
SFT- 005	:Time deposit	Aggregate 10 Lakhs in FY
SFT- 006	:Payment for credit card	FY Aggregate 1 Lakhs Cash FY Aggregate 10 lakhs (other)
SFT- 007	:Purchase of debentures	Aggregate 10 Lakhs in FY
SFT- 008	:Purchase of shares	Aggregate 10 Lakhs in FY
SFT- 009	:Buy back of shares (other than open market)	Aggregate 10 Lakhs in FY
SFT- 010	:Purchase of mutual fund units	Aggregate 10 Lakhs in FY
SFT- 011	:Purchase of foreign currency	Aggregate 10 Lakhs in FY
SFT- 012	:Purchase or sale of immovable property	30 Lakhs or more [Sec. 50C]
SFT- 013	:Cash payment for goods and services	Above 2 Lakhs [Sec. 44AB]
SFT- 014	:Cash deposits during specified period (1st April, 2016 to 8th November, 2016 and 9th Nov to 30th Dec, 2016).	

LINKAGE OF FORMS 60, 61 & 61A



Form 60 – Non-PAN of 114B



- Furnish details of Form 60 in Form 61



Furnish acknowledgement of Form 61 in Form 61A

IMPLICATION – FORM 61A CANNOT BE FURNISHED WITHOUT FURNISHING FORM 61

RELEVANT PENALTY/ PROSECUTION PROVISIONS FOR NOT FILING & FOR INCORRECT FILING OF SFT

Sr. No	Particulars	Section	penalties
1	Failure to Furnish SFT u/s 285BA (1)	271FA	500Rs. Per day / 1000 Rs. per day for non-filing after notice u/s 285BA(5)
2	Furnishing Inaccurate SFT u/s 285BA(1)	271FAA	50,000 Rs.
3	For making a wrong statement in verification or delivering a statement which is false.	277	Rigorous Imprisonment 3months - 2years & with fine.
4	Falsification of books of accounts or documents, etc.	277A	Rigorous Imprisonment 3months - 2years & with fine.



THANK YOU

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Intelligence and Criminal Investigation
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