



INCOME TAX ALERT

N. A. SHAH
BULLETIN

May 2017

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Chartered Accountants



Obligation to furnish statement of specified financial transactions for the year ended 31.03.2017

1. Section 285BA of the Income Tax Act, 1961 ('Act') requires certain specified persons

- who is responsible for registering, or; maintaining books of accounts or other document
- containing a record of any specified financial transaction or any reportable account as may be prescribed

shall furnish a statement in respect of such specified financial transaction or such reportable account ('SFT') during the financial year.

2. Rule 114E prescribes the nature of transactions and the threshold value for reporting of such transactions and which is summarized as under:-

Sr. No.	Class of Person who is required to furnish SFT	Nature and value of Transaction
1.	A company or institution issuing bonds or debentures	Receipt from any person of an amount aggregating to INR 10 lakhs or more in a financial year for acquiring bonds or debentures
2.	A company issuing shares	Receipt from any person of an amount aggregating to INR 10 lakhs or more in a financial year for issue of shares (including share application money)
3.	A company listed on recognized stock exchange purchasing its own securities	Buyback of shares from any person (other than securities purchased from open market) for an amount or value aggregating to INR 10 lakhs or more in a financial year
4.	Any person liable for tax audit u/s 44AB of the Act	Receipt of cash payment exceeding INR 2 lakhs for sale of goods or services of any nature
5.	A trustee or authorized person of a mutual fund	Receipt from any person of an amount aggregating to INR 10 lakhs or more in a financial year for acquiring units of one or more scheme of a mutual fund
6.	Registrar or sub-registrar	Purchase or sale of immovable property

Sr. No.	Class of Person who is required to furnish SFT	Nature and value of Transaction
		for an amount INR 30 Lakhs or more or valued by the stamp valuation authority at INR 30 lakhs or more
7.	Authorized person under FEMA	Receipt from any person for sale of foreign currency 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 travelers cheque or draft or any other instruments of an amount aggregating to INR 10 lakhs or more in a financial year
8.	A banking company or a co-operative banks	<ul style="list-style-type: none"> • payment made in cash for purchase of bank drafts or pay order aggregating to INR 10 lakhs or more in a financial year • payments made in cash aggregating to INR 10 lakhs or more in a financial year for purchase of prepaid instruments issued by RBI • cash deposits or cash withdrawals aggregating to INR 50 lakhs or more in a financial year, in or from one or more current account of a person • payments made by a person of an amount aggregating to <ol style="list-style-type: none"> 1. INR 1 lakh or more in cash 2. INR 10 Lakhs or more by other mode against bills in respect of credit cards
9.	A banking company or a co-operative banks or Post Master General	<ul style="list-style-type: none"> • cash deposits aggregating to INR 10 Lakhs or more in a financial year, in one or more accounts (other than a current account and time deposit) of a person • cash deposits during 9.11.2016 to 30.12.2016 aggregating to <ul style="list-style-type: none"> - INR 12.50 lakhs or more, in one or more current account of a person; or

Sr. No.	Class of Person who is required to furnish SFT	Nature and value of Transaction
		<ul style="list-style-type: none"> - INR 2.50 lakhs or more, in one or more accounts (other than current account) of a person • cash deposits during the period 1.4.2016 to 9.11.2016 in respect of account reportable above (i.e. for cash deposit from 9.11.2016 to 30.12.2016).
10.	A banking company or a co-operative banks or Post Master General or Nidhi Company	<ul style="list-style-type: none"> • one or more time deposits (other than renewal) of a person aggregating INR 10 Lakhs or more in a financial year

Timeline for filing the statement-

Every specified person (mentioned in column 2 of above table) who has entered into specified financial transactions (mentioned in column 3 of above table) during the financial year 2016-17, is required to furnish Form No. 61A electronically on or before 31st May, 2017 with the income tax department.

Penalty for non-filing the statement

Penalty of INR 100 per day of default shall be levied if the statement in Form 61A is not filed on or before 31st May

Penalty of INR 500 per day of default shall be levied if Form 61A is not furnished within the time prescribed by the income tax officer in notice issued under section 285BA(5) of the Act.

The penalty shall not be levied if there is a reasonable cause for the failure to furnish the Form 61A within the prescribed time.

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