

General Guidelines for Preparation of Statement of Financial Transactions (SFT)

Section 285BA of the Income Tax requires specified reporting persons to furnish statement of financial transaction. Rule 114E of the Income Tax Rules, 1962 specifies that the statement of financial transaction required to be furnished under sub-section (1) of section 285BA of the Act shall be furnished in Form No. 61A.

The prescribed schema, Report Generation and Validation Utility for Form No. 61A can be downloaded from the Reporting portal under “Resources” tab.

Transaction Types

Reporting person/entity is required to furnish separate Form 61 A for each transaction type. The transaction types under SFT have been categorised as under:

- SFT- 001: Purchase of bank drafts or pay orders in cash
- SFT- 002: Purchase of pre-paid instruments in cash
- SFT- 003: Cash deposit in current account
- SFT- 004: Cash deposit in account other than current account
- SFT- 005: Time deposit
- SFT- 006: Payment for credit card
- SFT- 007: Purchase of debentures
- SFT- 008: Purchase of shares
- SFT- 009: Buy back of shares
- SFT- 010: Purchase of mutual fund units
- SFT- 011: Purchase of foreign currency
- SFT- 012: Purchase or sale of immovable property
- SFT- 013: Cash payment for goods and services
- SFT- 014: Cash deposits during specified period (9th Nov to 30th Dec, 2016).

Identification of transactions to be reported

The first step in preparation of Statement of Financial Transactions (SFT) is to identify transactions/persons/accounts which are reportable under Rule 114E. In the second step, the reporting person/entity is required to submit details of transactions/persons/accounts which are determined as reportable.

Aggregation Rule

Aggregation rule needs to be applied for specified transaction types to identify transactions/persons/accounts which are reportable. Rule 114E specifies that the reporting person shall, while aggregating the amounts for determining the threshold amount for reporting in respect of any person –

- (a) take into account all the accounts of the same nature maintained in respect of that person during the financial year;
- (b) aggregate all the transactions of the same nature 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;

The aggregation rule is applicable for all transaction types except SFT- 012 (Purchase or sale of immovable property) and SFT- 013 (Cash payment for goods and services).

Reporting Format

Form No. 61A has four parts. Part A contains statement level information is common to all transaction types. The other three parts relate to report level information which has to be reported in one of the following parts (depending on the transaction type):

- Part B (Person Based Reporting)
- Part C (Account Based Reporting)
- Part D (Immovable Property Transaction Reporting)

The applicability of the reporting format is discussed in following paragraphs.

Person Based Reporting (Part B)

Part B shall be used for person based reporting which is relevant to following transactions:

- SFT- 001: Purchase of bank drafts or pay orders in cash
- SFT- 002: Purchase of pre-paid instruments in cash
- SFT- 005: Time deposit
- SFT- 006: Payment for credit card
- SFT- 007: Purchase of debentures
- SFT- 008: Purchase of shares
- SFT- 009: Buy back of shares
- SFT- 010: Purchase of mutual fund units
- SFT- 011: Purchase of foreign currency
- SFT- 013: Cash payment for goods and services

For determining reportable persons and transactions, the reporting person/entity is required to aggregate all the transactions of the same nature recorded in respect of the person during the financial year (refer to the applicability of aggregation rule). In a case, where the transaction is recorded in the name of more than one person, the reporting person/entity should attribute the entire value of the transaction or the aggregated value of all the transactions to all the persons.

The reporting person/entity is required to submit details of persons and transactions which are determined as reportable. The reporting format also enables reporting person/entity to furnish information relating to each individual product within a product type. E.g: if a person has multiple credit cards and the aggregate value of the transactions in all credit cards exceeds the threshold value, the aggregate transaction value will be reported in section B3 of form 61 A and the transactions pertaining to individual credit cards can be reported in section B4 of form 61 A.

Account Based Reporting (Part C)

Part C shall be used for account based reporting which is relevant to following transactions:

- SFT- 003: Cash deposit in current account
- SFT- 004: Cash deposit in account other than current account
- SFT- 014: Cash deposits during specified period (9th Nov to 30th Dec, 2016).

For determining reportable persons and accounts, the reporting person/entity is required to take into account all the accounts of the same nature maintained in respect of that person during the financial year and aggregate all the transactions of the same nature recorded in respect of the person during the financial year (refer to the applicability of aggregation rule). In a case where the account is maintained in the name of more than one person, the

reporting person/entity should attribute the entire value of the transaction or the aggregated value of all the transactions to all the persons. In case of SFT- 003 (Cash deposit or withdrawals in current account), the threshold limit has to be applied separately to deposits and withdrawals in respect of transactions. After identification of reportable persons and accounts, the reporting person/entity is required to submit details of accounts which are determined as reportable. Part C3 of the form 61 A has details of the accounts that need to be reported along with the aggregate transaction values. Aggregation of transaction has the same definition as explained in person based accounting.

Immovable Property Transaction Reporting (Part D)

Part D shall be used for reporting of purchase or sale of immovable property (SFT- 012). The reportable immovable property transactions have to be determined by applying the threshold limit. The reporting person/entity is required to submit specified details of immovable property transactions which are determined as reportable.

Statement Type

One Statement can contain only one type of Statement. Permissible values for type of Statement are:

- NB – New Statement containing new information
- CB – Correction Statement containing corrections for previously submitted information
- ND - No Data to report

Statement Number and Statement ID

Statement Number is a free text field capturing the sender's unique identifying number (created by the sender) that identifies the particular Statement being sent. The identifier allows both the sender and receiver to identify the specific Statement later if questions or corrections arise. After successful submission of the Statement to ITD, a new unique Statement ID will be allotted for future reference. The reporting person/entity should maintain the linkage between the Statement Number and Statement ID. In case the correction statement is filed, statement ID of the original Statement which is being corrected should be mentioned in the element 'Original Statement ID'. In case the Statement is new and unrelated to any previous Statement, '0' will be mentioned in the element 'Original Statement ID'.

Report Serial Number

The Report Serial Number uniquely represents a report within a Statement. The Report Serial Number should be unique within the Statement. This number along with Statement ID will uniquely identify any report received by ITD. In case of correction, the complete report has to be resubmitted. The Report Serial Number of the original report that has to be replaced or deleted should be mentioned in the element 'Original Report Serial Number'. This number along with Original Statement ID will uniquely identify the report which is being corrected. In case there is no correction of any report, '0' will be mentioned in the element 'Original Report Serial Number'.

Form 61 Acknowledgement No.

If reporting person/entity has received declarations in Form 60 in respect of transactions listed in Rule 114E, Form 61 is required to be furnished to ITD. As mentioned in Chapter I, on successful loading of Form 61 (containing the particulars of Form 60), an Acknowledgement No. would be generated which has to be mentioned at the time of filling

Form No. 61A. Hence, unless Form 61 has been furnished, Reporting person/entity may face difficulty in filling Form No. 61A. Accordingly, it is to be ensured that Form 61 is furnished to the Department before Form 61A is filled.

Additional Resources

The reporting person/entity may refer to following resources released by the Directorate of Systems:

Report Generation and Validation Utility User Guide-Form61A	User Manual to explain steps for preparation and upload of SFT (Form 61A)
Reporting Portal User Guide	User Guide to explain detail features of the Reporting Portal
Report Generation and Validation Utility Quick Reference Guide –Form 61	A brief guide for usage of Report Generation Utility for Form61
Report Generation and Validation Utility Quick Reference Guide –Form 61A	A brief guide for usage of java for Form61A.
Report Generation and Validation Utility Quick Reference Guide –Form 61B	A brief guide for usage of java for Form61B.
Report Generation and Validation Utility User Guide –Form 61	User Guide to explain detail features of the java utility for filing Form61.
Report Generation and Validation Utility User Guide - Form 61B	Java utilities to assist the filer in preparation of SFT (Form 61A) in the prescribed format.

The developers who want to develop program to generate XML may refer to the following:

Form 61A Schema	XSD file which contains the schema in which SFT (Form 61A) needs to be prepared and uploaded/submitted
Toolkit For Reporting Entities	Toolkit to assist the filer in understanding the Reporting portal and guide for preparation of statements for different forms.