

DGIT(S)/ADG(S)-2/Reporting Portal/2017/180

Government of India
Ministry of Finance
Central Board of Direct Taxes
Directorate of Income Tax (Systems)

Notification No. 3 of 2018

New Delhi, 5th April, 2018

Procedure for registration and submission of statement of financial transactions (SFT) as per section 285BA of Income-tax Act, 1961 read with Rule 114E of Income-tax Rules, 1962.

Section 285BA of the Income Tax Act, 1961 (hereunder referred to as the “Act”) requires specified reporting persons to furnish statement of financial transaction. Rule 114E of the Income Tax Rules, 1962 (hereunder referred to as the “Rules”) 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 nature and value of transaction to be furnished by the reporting person under Rule 114 E is enclosed as **Annexure A**.

2. As per sub rule (6)(a) of Rule 114E, every reporting person/entity shall communicate to the Principal Director General of Income-tax (Systems) the name, designation, address and telephone number of the Designated Director and the Principal Officer and obtain a registration number. The procedure for registration for statement of financial transactions (SFT) was specified in Notification No. 13 dated 30th December, 2016. The functionality for submission of statement of financial transactions had been enabled on e-filing portal vide Notification No.1 of 2017 dated 17th January 2017 and the earlier instruction is being updated in the light of newly launched “**Reporting Portal**” (<https://report.insight.gov.in>).

3. As per sub rule (4)(a) of Rule 114E, the statement of financial transactions shall be furnished through online transmission of electronic data to a server designated for this purpose under the digital signature of the person specified in sub-rule (7) and in accordance with the data structure specified in this regard by the Principal Director General of Income-tax (Systems). The Post Master General or a Registrar or Sub-registrar or an Inspector General have the option to furnish the statement in a computer readable media, being a Compact Disc or Digital Video Disc (DVD), alongwith verification in Form-V on paper. The statement of financial transactions shall be furnished on or before the 31st May, immediately following the financial year in which the transaction is registered or recorded.

4. As per sub-rule (4)(b) of Rule 114E Principal Director General of Income-tax (Systems) shall specify the procedures, data structures and standards for ensuring secure capture and transmission of data, evolving and implementing appropriate security, archival and retrieval policies.

5. The values under Statement Type & Person Type and field number in Part B of Form No. 61A have been modified / enhanced in exercise of the power delegated under sub-rule (4)(b) of Rule 114E by the Principal Director general of Income-tax (Systems). The detailed list of modification / changes in schema / data structure of the Form No.61A is attached as Annexure D.

6. In exercise of the powers delegated by Central Board of Direct Taxes ('Board') under sub rule (4)(a) and (4)(b) of Rule 114E of the Income tax Rules 1962, the Principal Director General of Income-tax (Systems) hereby lays down the following procedures:

- a) **Already registered reporting persons/entities on e-filing portal:** The registration details of already registered reporting persons/entities have been migrated from e-filing portal to reporting portal. The registered users of such reporting persona/entities shall be communicated of their new login credentials through registered email to be used at Reporting Portal. There is no need of registering again for such persons/entities.
- b) **New Registration, Generation of Income Tax Department Reporting Entity Identification Number (ITDREIN) and Principal Officer:** The reporting person/entity is required to get registered with the Income Tax Department by logging in to the e-filing website (<https://incometaxindiaefiling.gov.in/>) with the log in ID used for the purpose of filing the Income Tax Return of the reporting person/entity. The reporting person/entity needs to click on "Reporting Portal" link under "My Account" tab at e-filing portal to access 'Reporting Portal' for first time registration. The reporting person/entity will be required to enter the details of form type, category and address of reporting person/entity along with details of Principal Officer mandatorily. On successful submission, the ITDREIN is generated and the principal officer will receive a confirmation e-mail on his/her registered e-mail address and SMS at his/her registered mobile number. There will be no option to de-activate ITDREIN, once it is generated.
- c) **Addition of Designated Director:** The reporting person/entity is required to submit the details of designated director either at the time of new registration or at later stage, but before any statement is submitted on reporting portal. The designated director will receive a confirmation e-mail with login credentials for login into reporting portal (<https://report.insight.gov.in>) at his/her registered email address. Only, the designated director of the reporting person/entity can digitally sign and upload the Statement of Financial Transaction (SFT) and the corresponding correction statements, if any through his/her own login credentials at the reporting portal or through Generic submission Utility.

- d) **Submission of Form No. 61A:** Every reporting person/entity is required to submit the Statement of Financial Transaction (SFT) in Form No. 61A. The prescribed schema, Report Generation and Validation Utility for Form No. 61A and Generic Submission Utility can be downloaded from the reporting portal under “Resources” tab. General and transaction specific guidelines for preparation of SFT in the specified format is enclosed as **Annexure B** and **Annexure C** respectively. The prepared SFTs to be filed is required to be digitally signed by and uploaded at the reporting portal or through Generic Submission Utility through the login credentials (PAN and password) of the designated director.
- e) **Submission of correction statement:** In case, the reporting person/entity comes to know or discovers any inaccuracy in the information provided in the statement or the defects have been communicated to the reporting person/entity through Data Quality Report (DQR) after submission of Statement, it is required to remove the defects by submitting a correction statement. The number of “Reports Requiring Correction (RRC)” will be visible against the original statement on reporting portal under the ‘Statement Pending for Correction’ tab. The user can download the DQR file from the DQR column under ‘Statements Pending for Correction’ Tab at Reporting Portal, which can then be opened on the Report Generation utility to find and fix the errors. The reporting person/entity needs to rectify all the defects till the number of “Reports Requiring Correction (RRC) becomes zero within specified time.
- f) **Deletion of Submitted Reports in a statement:** In case, the reporting person/entity wishes to delete the inadvertently filed reports within a statement, it can choose the statement type as “Deletion Statement” and file all such reports within a single statement to be deleted with exact previously filed values against each field. The manner of filing Deletion Statement shall be similar to submission of correction statement.
- g) **Security, archival and retrieval policies:** The reporting person/entity is required to document and implement appropriate information security policies and procedures with clearly defined roles and responsibilities to ensure security of submitted information and related information/documents. The reporting person/entity is also required to document and implement appropriate archival and retrieval policies and procedures with clearly defined roles and responsibilities to ensure that submitted information and related information/documents are available promptly to the competent authorities.

7. In view of the changes mentioned above, the procedure prescribed in Notification No. 1 of 2017 dated 17th January, 2017 stands modified and this notification shall come into effect from 9th of April 2018.



(Harish Kumar)
Pr. DGIT (Systems), CBDT

Enclosures:

Annexure A: Nature and value of transactions to be reported under Rule 114E

Annexure B: Guidelines for Preparation of Statement of Financial Transactions (SFT)

Annexure C: Transaction Specific Guidelines for Preparation of Statement of Financial Transactions (SFT)

Annexure D: Modification / Changes in schema / data structure of Form No. 61A

Copy to:

1. PPS to the Chairman and Members, CBDT, North Block, New Delhi.
2. All Pr. Chief Commissioners/ Pr. Director Generals of Income Tax and all Chief Commissioners/ Director Generals of Income Tax – with a request to circulate amongst all officers in their regions/ charges.
3. JS (TPL)-1 &2/ Media coordination and Official spokesperson of CBDT
4. DIT (IT)/ DIT (Audit)/ DIT (Vig.)/ ADG (System) 1, 2, 3, 4, 5 / CIT (CPC) Bangalore, CIT (CPC-TDS) Ghaziabad.
5. ADG (PR, PP&OL) with a request for advertisement campaign for the Notification.
6. TPL and ITA Divisions of CBDT.
7. The Institute of Chartered Accountants of India, IP Estate, New Delhi.
8. Web Manager, "incometaxindia.gov.in" for hosting on the website.
9. Database cell for uploading on www.irsolicersonline.gov.in and in DGIT (S) Corner.
10. ITBA publisher for uploading on ITBA portal.



(Sanjeev Singh)
ADG(Systems)-2 CBDT