Synopsis of Income Tax (22nd) Amendment Rules, 2015

[Personal & Private Circulation bearing no opinion or advice]

According to Rule 114B read with Section 139A, every person shall quote his PAN in transactions specified below:

Date of Effect: 01.01.2016

S. No.	Nature of Transactions	Value of Transactions
1	Sale or purchase of a motor vehicle or vehicle which requires registration by a registering authority other than two wheeled vehicles.	*All Transactions.*
2	Opening an account other than a time-deposit and a Basic Savings Bank Deposit Account with a banking company or a co-operative bank.	*All Transactions.*
3	Making an application for issue of Debit or Credit Cards.	*All Transactions.*
4	Opening of a DMAT Account.	*All Transactions.*
5	Payment to a Hotel or Restaurant against a single bill or a single payment for multiple bills.	*Payment in cash exceeding Rs. 50,000/-.*
6	Payment in connection with travel to any foreign country or payment for purchase of any foreign currency at any one time.	*Payment in cash exceeding Rs. 50,000/-.*
7	Payment to a Mutual Fund for purchase of its units.	*Amount exceeding Rs. 50,000/-.*
8	Payment to a company or an institution for acquiring debentures or bonds issued by it.	*Amount exceeding Rs. 50,000/-.*
9	Payment to the Reserve Bank of India for acquiring bonds issued by it.	*Amount exceeding Rs. 50,000/-.*
10	Deposit with a banking company or a co-operative bank.	*Deposit of cash exceeding Rs. 50,000/- in one day.*
11	Purchase of bank drafts or pay orders or banker's cheques from a banking company or a co-operative bank.	*Deposit of cash exceeding Rs. 50,000/- in one day.*
12	A time deposit with: • a banking company or a co-operative bank; • a Post Office; • a Nidhi; or • a NBFC which holds a certificate of registration to hold or accept deposit from public.	*Amount exceeding Rs. 50,000/- for a single transaction or aggregating to more than Rs. 5,00,000/- during a financial year.*
13	Payment for one or more pre-paid payment instruments to a banking company or a co-operative bank or to any other company or institution.	*Payment in cash or bank draft or pay order or banker's cheque of an amount aggregating to more than Rs. 50,000/- in a financial year.*
14	Payment as life insurance premium.	*Amount aggregating to more than Rs. 50,000/- in a financial year.*
15	A contract for sale or purchase of securities (other than shares).	*Amount exceeding Rs. 1 Lakh per transaction.*
16	Sale or purchase of shares of an Unlisted company.	*Amount exceeding Rs. 1 Lakh per transaction.*
17	Sale or purchase of any immovable property.	*Amount exceeding Rs. 10 lakh.*
18	Sale or purchase of goods or services of any nature other than mentioned above.	*Amount exceeding Rs. 2 Lakh per transaction.*

The above stated table is subject to:

- Provided that where a person, entering into any transaction 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, as the case may be, in the document pertaining to the said transaction;

- Provided further that any person who does not have a PAN and who enters into any transaction specified in this rule, he shall make a declaration in Form No.60 giving therein the particulars of such transaction;

- Provided also that the provisions of this rule shall not apply to:
    - the Central Government, the State Governments and the Consular Offices;
    - the non-residents in respect of the transactions 3,5,6,9,11,13 of the Table.

According to Rule 114D, Persons shall a statement containing particulars of Form No. 60 as per the Time and Manner specified below:

Date of Effect: 01.01.2016

Every person referred below and who is required to get his accounts audited under section 44AB of the Act and who has received any declaration in Form No. 60, on or after 01.01.2016 shall furnish a statement in Form No. 61 containing particulars of such declaration through online transmission; and retain Form No. 60 for a period of 6 years from the end of the financial year in which the transaction was undertaken.

The statement shall be filed 2 times in a year. For declarations received till 31st March, be furnished till 30th April. For declarations received till 30th September, be furnished till 31st October.

List of persons covered:

- *a person who sells the immovable property or motor vehicle*;
- a manager or officer of a banking company or co-operative bank;
- post master;
- stock broker, sub-broker, share transfer agent, banker to an issue, trustee of a trust deed, registrar to issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediaries;
- a depository, participant, custodian of securities or any other person registered;
- the principal officer of a company;
- the principal officer of an institution;
- any trustee or any other person duly authorised by the trustee of a Mutual Fund;
- an officer of the Reserve Bank of India;
- a manager or officer of an insurer;
- *Any person, being a person raising bills referred to at Sl. No. 5 or 6 or 18 above, who, in relation to a transaction specified in the said Sl. No., has issued any document shall ensure after verification that PAN has been correctly furnished and the same shall be mentioned in such document, or as the case may be, a declaration in Form 60 has been duly furnished with complete particulars*.

According to Rule 114E, Furnishing of statement of financial transaction:

Date of Effect: 01.04.2016

The AIR statement required to be furnished under section 285BA (1) of the Act shall be furnished for any Financial Year in Form No. 61A and shall be verified in the manner indicated therein. The statement shall be furnished by person mentioned in column (3) of the Table below in respect of all the transactions of the nature and value specified in the corresponding entry in column (2) of the said Table, which are registered or recorded by him on or after the 1st day of April, 2016, namely:

S. No.	Nature and Value of Transaction	Class of reporting person
(1)	(2)	(3)
1	➢ Payment made in cash for purchase of bank drafts or pay orders or banker's cheque of an amount aggregating to Rs. 10 lacs or more in a financial year. ➢ Payments made in cash aggregating to Rs. 10 lacs or more during the financial year for purchase of pre-paid instruments issued by Reserve Bank of India. ➢ Cash deposits or cash withdrawals (including through bearer's cheque) aggregating to Rs. 50 lacs 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	Cash deposits aggregating to Rs. 10 lacs or more in a financial year, in one or more accounts (other than a current account and time deposit) of a person.	*A banking company or a co-operative bank or Post Master General.*
3	One or more time deposits (other than a time deposit made through renewal of another time deposit) of a person aggregating to Rs. 10 lacs or more in a financial year of a person.	*A banking company or a co-operative bank or Post Master General or Nidhi or NBFC.*
4	Payments made by any person of an amount aggregating to: ➢ one lakh rupees or more in cash; or ➢ ten lakh rupees 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.	*A banking company or a co-operative bank or any other company or institution issuing credit card.*
5	Receipt from any person of an amount aggregating to Rs. 10 lacs or more in a financial year for acquiring bonds or debentures issued by the company or institution.	*A company or institution issuing bonds or debentures.*
6	Receipt from any person of an amount aggregating to Rs. 10 lacs or more in a financial year for acquiring shares (including share application money) issued by the company.	*A company issuing shares.*
7	Buy back of shares from any person (other than the shares bought in the open market) for an amount or value aggregating to Rs. 10 lacs or more in a financial year.	*A company listed on a recognised stock exchange purchasing its own securities.*
8	Receipt from any person of an amount aggregating to Rs. 10 lacs or more in a financial year for acquiring units of one or more schemes of a Mutual Fund.	*A trustee of a Mutual Fund or such other person managing the affairs of the Mutual Fund as may be duly authorised by the trustee in this behalf.*
9	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 travellers cheque or draft or any other instrument of an amount aggregating to Rs. 10 lacs or more during a financial year.	*Authorised person as referred in FEMA.*
10	Purchase or sale by any person of immovable property for an amount of Rs. 30 lacs or more.	*Inspector-General or Registrar or Sub-Registrar.*
11	Receipt of cash payment exceeding Rs. 2 lacs for sale of goods or services of any nature other than referred above.	*Any person who is liable for audit under section 44AB of the Act.*

- The return in Form No. 61A shall be furnished through online transmission of electronic data to a server designated for this purpose under the digital signature of the person and in accordance with the data structure specified in this regard, provided that in case of a reporting person, being a Post Master General or a Registrar or an Inspector General, the said return in Form 61A may be furnished in a computer readable media, being a Compact Disc or Digital Video Disc (DVD), along with the verification in Form-V on paper.

- The statement of AIR financial transactions shall be furnished on or before the 31st May, immediately following the financial year in which the transaction is registered or recorded.

- Every reporting person shall obtain a registration number.

- It shall be the duty of every person to observe the procedure and the manner of maintaining information as specified by its regulator and ensure compliance with the obligations imposed under section 285BA of the Act and rules 114B to 114D and this rule.

- The statement of financial transaction referred to in sub-rule (1) shall be signed, verified and furnished by the Designated Director, provided that where the reporting person is a non-resident, the statement may be signed, verified and furnished by a person who holds a valid power of attorney from such Designated Director".

Prepared By:
Mohit Gupta,
B Com. (Hons.), FCA, LLB,
Alumnus Rajdhani College (DU)
Alumnus Law Centre 2, Law Faculty (DU)
For any query and feedback, please write to mohit@gmrindia.com