

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

New Delhi, 22nd December, 2016.

Press Release

Reporting Cash Transactions under Rule 114E of Income -tax Rules, 1962.

Rule 114E of Income-tax Rules, 1962, for furnishing statement of financial transactions (SFT) came into force with effect from 1st April, 2016. Any person who is liable for audit under section 44AB of the Income-tax Act, 1961 is required to furnish a statement in respect of transaction at serial no. 11 of Rule 114E(2) relating to receipt of cash payment exceeding Rupees two lakh for sale of goods or service. Doubts were raised if such transactions are required to be aggregated for reporting.

The norms of aggregation contained in sub-rule 3 of Rule 114E have been amended vide CBDT's Notification No. 91/2016 dated 6th October, 2016 clearly indicating that the said transactions did not require aggregation and the reporting requirement under SFT for this purpose is on receipt of cash payment exceeding Rupees two lakh for sale of goods or services per transaction.

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Commissioner of Income Tax
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Official Spokesperson, CBDT.**