



Income Tax Department

Ministry of Finance, Government of India

Furnishing of statement of financial transaction.

237. (1) The statement of financial transaction required to be furnished under section 508(1) shall be furnished in respect of all transactions as specified in sub-rule (2) in a financial year in Form No. 165 and shall be verified in the manner indicated therein.

(2) The statement referred to in sub-rule (1) shall be furnished by every person mentioned in column (4) of the following Table in respect of all the transactions of the nature specified in the corresponding entry in column 2 and the value specified in the corresponding entry in column 3 of the said Table, in accordance with the provisions of sub-rule (3), which are registered or recorded by him:

TABLE

Sl. No.	Nature of transaction	Value of transaction	Class of person (reporting person)
1	2	3	4
1.	(a) Payment made in cash for purchase of bank drafts or pay orders or banker's cheque.	Amount, in a financial year in one or more account of a person, aggregating to,— (a) ten lakh rupees or more, for a person having Permanent Account Number; or (b) Rs. 5,00,000 or more, for a person not having Permanent Account Number.	A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of the said Act).
	(b) Payments made in cash or otherwise for purchase of pre-paid instruments issued by Reserve Bank of India under section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007).	Amount aggregating to ten lakh rupees or more during the financial year.	
	(c) Cash deposits or cash withdrawals (including through bearer's cheque) in or from one or more current account of a person.	Amount aggregating to fifty lakh rupees or more in a financial year.	
2.	Cash deposits in one or more accounts (other than a current account and time deposit) of a person.	Cash deposits in a financial year in one or more account of a person, aggregating to— (a) ten lakh rupees or more for a person having Permanent Account Number; or (b) Rs. 5,00,000 or more for a person not having Permanent Account Number.	(a) A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of the said Act); or (b) Post Master General as referred to in section 2(j) of the Indian Post Office Act, 1898 (6 of 1898) (as it existed prior to its repeal) or the Regional Head as referred in the Post Office Rules, 2024 framed under the Post Office Act, 2023 (43 of 2023).
3.	One or more time deposits (other than a time deposit made through renewal of another time deposit) of a person.	Amount aggregating to ten lakh rupees or more in a financial year, for a person.	(a) A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of the said Act); or (b) Post Master General as referred to in section 2(j) of the Indian Post Office Act, 1898 (6 of 1898) (as it existed prior to its repeal) or the Regional Head as referred in the Post Office Rules, 2024 framed under the Post Office Act, 2023 (43 of 2023); or (c) Nidhi referred to in section 406 of the Companies Act, 2013 (18 of 2013); or (d) a non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), to hold or accept deposit from public.
4.	Payments made by any person against bills raised in respect of one or more credit cards issued to that person, in a financial year.	Amount aggregating to— (i) Rs. 1,00,000 or more, in cash; or (ii) ten lakh rupees or more, by any other mode.	A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of the said Act) or any other company or institution issuing credit card.
5.	Receipt from any person for acquiring bonds or debentures issued by the company or institution (other than the amount received on account of renewal of the bond or debenture issued by that company).	Amount aggregating to ten lakh rupees or more in a financial year, for a person.	A company or institution issuing bonds or debentures.



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6.	Receipt from any person for acquiring shares (including share application money) issued by the company.	Amount aggregating to ten lakh rupees or more in a financial year, for a person.	A company issuing shares.				
7.	Buy back of shares from any person (other than the shares bought in the open market).	Amount or value aggregating to ten lakh rupees or more in a financial year.	A company listed on a re-cognised stock exchange purchasing its own securities under section 68 of the Companies Act, 2013 (18 of 2013).				
8.	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 traveller's cheque or draft or any other instrument.	Amount, in a financial year in one or more account of a person, aggregating to,— <table border="1" style="width: 100%;"> <tr> <td>(a)</td> <td>ten lakh rupees or more for a person having Permanent Account Number; or</td> </tr> <tr> <td>(b)</td> <td>Rs. 5,00,000 or more for a person not having Permanent Account Number.</td> </tr> </table>	(a)	ten lakh rupees or more for a person having Permanent Account Number; or	(b)	Rs. 5,00,000 or more for a person not having Permanent Account Number.	Authorised person as referred to in section 2(c) of the Foreign Exchange Management Act, 1999 (42 of 1999).
(a)	ten lakh rupees or more for a person having Permanent Account Number; or						
(b)	Rs. 5,00,000 or more for a person not having Permanent Account Number.						
9.	Purchase or sale or gift or joint development agreement of an immovable property by any person.	<table border="1" style="width: 100%;"> <tr> <td>(a)</td> <td>Amount of forty-five lakh rupees or more; or</td> </tr> <tr> <td>(b)</td> <td>stamp duty value referred to in section 2(105) of the Act at forty-five lakh rupees or more.</td> </tr> </table>	(a)	Amount of forty-five lakh rupees or more; or	(b)	stamp duty value referred to in section 2(105) of the Act at forty-five lakh rupees or more.	Inspector-General appointed under section 3 of the Registration Act, 1908 (16 of 1908) or Registrar or Sub-Registrar appointed under section 6 of the said Act.
(a)	Amount of forty-five lakh rupees or more; or						
(b)	stamp duty value referred to in section 2(105) of the Act at forty-five lakh rupees or more.						
10.	Purchase of a stamp paper by any person.	<table border="1" style="width: 100%;"> <tr> <td>(a)</td> <td>Amount of Rs. 2,00,000 or more in one transaction for a person having Permanent Account Number; or</td> </tr> <tr> <td>(b)</td> <td>Rs. 1,00,000 or more in one transaction for a person not having Permanent Account Number.</td> </tr> </table>	(a)	Amount of Rs. 2,00,000 or more in one transaction for a person having Permanent Account Number; or	(b)	Rs. 1,00,000 or more in one transaction for a person not having Permanent Account Number.	Stock Holding Corporation of India Limited.
(a)	Amount of Rs. 2,00,000 or more in one transaction for a person having Permanent Account Number; or						
(b)	Rs. 1,00,000 or more in one transaction for a person not having Permanent Account Number.						
11.	Receipt from any person against insurance premium	Amount, in a financial year in one or more account of a person, aggregating to,— <table border="1" style="width: 100%;"> <tr> <td>(a)</td> <td>Rs. 5,00,000 or more for a person having Permanent Account Number; or</td> </tr> <tr> <td>(b)</td> <td>Rs. 2,50,000 or more for a person not having Permanent Account Number.</td> </tr> </table>	(a)	Rs. 5,00,000 or more for a person having Permanent Account Number; or	(b)	Rs. 2,50,000 or more for a person not having Permanent Account Number.	Insurer as defined in section 2(9) of the Insurance Act, 1938 (4 of 1938).
(a)	Rs. 5,00,000 or more for a person having Permanent Account Number; or						
(b)	Rs. 2,50,000 or more for a person not having Permanent Account Number.						
12.	Receipt of cash payment for sale, by any person, of goods or services of any nature (other than those specified at Sl. Nos. 1 to 11, if any.)	Amount exceeding Rs. 2,00,000.	Any person who is liable for audit under section 63.				

(3) The reporting person mentioned in column 4 of the Table under sub-rule (2) (other than the persons at Sl. Nos. 9,10 and 12) shall, while aggregating the amounts for determining the threshold amount for reporting in respect of any person as specified in column 3 of the said Table,—

- take into account all the accounts of the same nature as specified in column 2 of the said Table maintained in respect of that person during the financial year;
- aggregate all the transactions of the same nature as specified in column 2 of the said Table recorded or maintained in respect of that person during the financial year;
- attribute the entire value of the transaction or the aggregated value of all the transactions to all the person, in a case where the account is maintained or transaction is recorded in the name of more than one person; and
- apply the threshold limit separately to deposits and withdrawals in respect of transaction specified in item (c) under column 2, against Sl. No. 1 of the said Table.

(4) (a) The return in Form No. 165 referred to in sub-rule (1) shall be furnished to the Director of Income-tax (Intelligence and Criminal Investigation) or the Joint Director of Income-tax (Intelligence and Criminal Investigation), through online transmission of electronic data to a server designated for this purpose under the digital signature of the person specified in sub-rule (8) and in accordance with the data structure specified in this regard by the Principal Director General of Income-tax (Systems) and in case of a reporting person, being a Post Master General or a Registrar or an Inspector General referred to in sub-rule (2), the said Form may be furnished in a computer readable media, including a Compact Disc or Digital Video Disc (DVD), along with the verification in Form-V on paper.

(b) The Board may designate an officer as Information Statement Administrator, not below the rank of a Joint Director of Income-tax, for the purposes of day to day administration in relation to the furnishing of returns or statements.



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(5) The statement of financial transactions referred to in sub-rule (1) shall be furnished on or before the 31st May, immediately following the financial year in which the transaction is registered or recorded.

(6) For the purposes of pre-filing the return of income, a statement of financial transaction under section 508(1) containing information relating to capital gains on transfer of listed securities or units of Mutual Funds, dividend distributed and interest paid or credited mentioned in column 2 of the following Table shall be furnished by the persons mentioned in column 4 of the said Table in such Form, at such frequency, and in such manner, as may be specified by the Principal Director General of Income Tax (Systems) or the Director General of Income Tax (Systems), as the case may be, with the approval of the Board:

TABLE

Sl. No.	Nature of transaction	Value of transaction	Class of person (reporting person)	
1	2	3	4	
1.	Capital gains on transfer of listed securities or units of Mutual Funds.	All transactions	(a)	A recognised stock exchange; or
			(b)	a depository as defined in section 2(1)(e) of the Depositories Act, 1996 (22 of 1996); or
			(c)	a recognised Clearing Corporation; or
			(d)	a Registrar to an issue and share transfer agent registered under section 12(1) of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
2.	Dividend distributed	All transactions	A company.	
3.	Interest paid or credited	All transactions	(a)	A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 the said Act); or
			(b)	the Post Master General as referred to in section 2(j) of the Indian Post Office Act, 1898 (6 of 1898) (as it existed prior to its repeal) or the Regional Head as referred in the Post Office Rules, 2024 framed under the Post Office Act, 2023 (43 of 2023); or
			(c)	a non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), to hold or accept deposit from public.

(7) (a) Every reporting person mentioned in column 4 of the Table under sub-rule (2) and column 4 of the Table under sub-rule (6), 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.

(b) It shall be the duty of every person specified in column 4 of the Table under sub-rule (2) and column 4 of the Table under sub-rule (6), its Designated Director, Principal Officer and employees to observe the procedure and the manner of maintaining information as specified by its regulator and ensure compliance with the obligations imposed under section 508 and rules 159, 160 and 161 and this rule.

(8) The statement of financial transaction referred to in sub-rules (1) and (6) shall be signed, verified and furnished by—

- (a) a person who holds a valid power of attorney from such Designated Director as specified in sub-rule (7), where the reporting person is a non-resident; and
- (b) the Designated Director in all other cases.

(9) For the purposes of this rule,—

- (a) "Designated Director" means a person designated by the reporting person to ensure overall compliance with the obligations imposed under section 508 and rules 159, 160 and this rule and includes—
 - (i) the Managing Director or a whole-time Director, as defined in the Companies Act, 2013 (18 of 2013), duly authorised by the Board of Directors if the reporting person is a company; or
 - (ii) the managing partner, if the reporting person is a partnership firm; or
 - (iii) the proprietor, if the reporting person is a proprietorship concern; or
 - (iv) the managing trustee, if the reporting person is a trust; or
 - (v) a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting person is, an unincorporated association or, a body of individuals or, any other person;
- (b) "digital signature" means a digital signature issued by any Certifying Authority authorised to issue such certificates by the Controller of Certifying Authorities;
- (c) "listed securities" means the securities which are listed on any recognised stock exchange in India;
- (d) "Mutual Fund" means a Mutual Fund as referred to in Schedule VII(20) and (21) of the Act;
- (e) "Principal Officer" means an officer designated by the reporting person referred to in the Table in sub-rule (2) and in the Table in sub-rule (6);
- (f) "recognised clearing corporation" shall have the same meaning as assigned to it in regulation 2(1)(o) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 made under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (g) "recognised stock exchange" shall have the same meaning as assigned to it in section 2(f) of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- (h) "Regulator" means a person or an authority or a Government, which is vested with the power to license, authorise, register, regulate or supervise the activity of the reporting person referred to in the Table in sub-rule (2) and in the Table in sub-rule (6);
- (i) "securities" shall have the same meaning as assigned to it in section 2(h) of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).