STATEMENT OF FINANCIAL TRANSACTIONS – CHANGES AND UPDATES

A WEBINAR FOR THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA NAGPUR BRANCH OF WIRC

21st July, 2021

INITIATIVE OF DIRECTORATE OF INTELLIGENCE & CRIMINAL INVESTIGATION, NAGPUR

WHY?

THIRD PARTY REPORTING BENEFITS

- ◉ **PROMOTES VOLUNTARY COMPLIANCE**

- ◉ **ENABLES PRE–FILLED RETURNS**

- ◉ **PREVENTS LEAKAGES**

- ◉ **WIDENING AND DEEPENING OF TAX BASE**

Why this story here ??????

- Twist in the Tale
- What happens to the woodcutter when he becomes wealthy?

I & CI – Brief History

- Transition from a information gathering agency to provider of actionable intelligence

- In 1975, the Income-tax Department created the Central Information Branch (CIB) for strengthening tax data-base. Initially, CIB operated under the supervision of DGsIT (Investigation).

- This was later brought under the Directorate of Income-tax (Intelligence) in June 2007.

- As the world was changing very fast and India became increasingly integrated with foreign economies, restrictions became more liberal for the movement of people. The capital was flowing in and out of the country, new issues of tax evasion cropped up. However, there is an increasing pressure on financial institutions, tax heavens and the **recalcitrant** countries from all over the world to conform to new norms regarding exchange of information and greater transparency by the financial institutions. In response to this changing scenario, in August 2011, a new directorate named as **Directorate of Income-tax (Intelligence & Criminal Investigation)** was setup under a DGIT, under the overall control of Member (Inv) CBDT, which included the erstwhile intelligence setup and CIB setup.

STATEMENT OF FINANCIAL TRANSACTION (SFT)

- **INFORMATION ABOUT THE INVESTMENT AND EXPENDITURE TRANSACTIONS OF HIGH VALUE SHARED BY VARIOUS REPORTING ENTITIES WITH THE INCOMETAX DEPARTMENT ON DIGITAL PLATFORM**

क्या आप

- उप पंजीयक
- सहकारी बैंक
- बैंकिंग कंपनी
- एनबीएफसी
- निधि
- पोस्ट मास्टर जनरल
- विदेशी मुद्रा मध्यस्थ
- शेयर, बॉण्ड, डिबेंचर जारीकर्ता
- म्यूचुअल फंड ट्रस्टी या म्यूचुअल फंड मामलों के प्रबंधक
- वस्तु या सेवा आपूर्तिकर्ता (जिनके खातों की आयकर अधिनियम 1961 की धारा 44AB के अंतर्गत लेखापरीक्षा अपेक्षित है)

हैं एवं रिपोर्ट योग्य संव्यवहार किया है तो आप फॉर्म 61A में एसएफटी अवश्य फाइल करें

रिपोर्ट योग्य संव्यवहार

संव्यवहार का प्रकार	संव्यवहार का कुल मूल्य
क्रेडिट कार्ड के बिल का नकद भुगतान	1 लाख रुपये या अधिक
किसी भी प्रकार की वस्तु या सेवा क्रय के लिए किसी भी व्यक्ति द्वारा नकद में प्राप्ति	2 लाख से रुपये अधिक
अचल संपत्ति का क्रय या विक्रय	30 लाख रुपये या अधिक (या स्टाम्प मूल्यांकन प्राधिकरण द्वारा 30 लाख या अधिक का मूल्यांकन)
व्यक्ति के एक या अधिक चालू खातों से नकद निकासी/जमा	वित्त वर्ष _____ के दौरान 50 लाख रुपये या अधिक (एक समय में या कुल मिलाकर)
आरबीआई द्वारा जारी प्रीपेड वस्तावेज/बैंकर्स चेक/पे ऑर्डर/बैंक ड्राफ्ट के क्रय हेतु नकद में भुगतान	एक व्यक्ति के संबंध में वित्त वर्ष : _____ के दौरान 10 लाख रुपये या अधिक (एक समय में या कुल मिलाकर)
एक या अधिक खातों में जमा (चालू खातों एवं सावधि जमा से इतर)	
सावधि जमा	
नकद के अलावा किसी भी अन्य प्रकार से क्रेडिट कार्ड बिल का भुगतान	
म्यूचुअल फंड, कंपनी की एक या अधिक योजनाओं के यूनिट खरीदने में	

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CHANGES AND UPDATES

Amendment to Rule 114E…(1)

[*(5A) For the purposes of pre-filling the return of income, a statement of financial transaction under subsection (1) of section 285BA of the Act containing information relating to capital gains on transfer of listed securities or units of Mutual Funds, dividend income, and interest income mentioned in column (2) of Table below shall be furnished by the persons mentioned in column (3) 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, namely:—*

Amendment to Rule 114E…(2)

Sl. No.	Nature of transaction	Class of person (reporting person)
(1)	(2)	(3)
1.	Capital gains on transfer of listed securities or units of Mutual Funds	(i) Recognised Stock Exchange; (ii) depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996); (iii) Recognised Clearing Corporation; (iv) Registrar to an issue and share transfer agent registered under subsection (1) section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).

Amendment to Rule 114E...(3)

Sl. No.	Nature of transaction	Class of person (reporting person)
(1)	(2)	(3)
2.	Dividend income	A company
3.	Interest income	(i) 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 that Act);
		(ii) Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898);
		(iii) 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.

SFT - 15 AND SFT - 16

**Two new SFTs introduced
SFT – 15 : DIVIDEND INCOME.
SFT – 16 : INTEREST INCOME**

**Who has to report these transactions?
SFT -15 : Companies
SFT -16 : Banks. Co-op Banks, Post Office
and NBFCs**

TRANSACTIONS TO BE REPORTED IN SFT -15 AND SFT - 16

What are the transactions to be reported?

SFT – 15 : All Dividend Income

SFT – 16 : Interest Income above Rs.5000/-

What financial transactions are reportable by Companies And Banks/ Co-op Banks/ Post Office/ NBFCs?

SFT to be furnished by Companies
SFT- 007: Purchase of debentures
SFT- 008: Purchase of shares
SFT- 009: Buy back of shares
AND
SFT 015: Dividend Income

SFT to be furnished by Banks/ Co-op Banks/ Post Office/ NBFCs
SFT- 001: Purchase of bank drafts or pay orders in cash - to be furnished by Banks / Co-op Banks
SFT- 002: Purchase of pre-paid instruments in cash - to be furnished by Banks / Co-op Banks
SFT- 003: Cash deposit in current account - to be furnished by Banks / Co-op Banks
SFT- 004: Cash deposit in account other than current account - to be furnished by Banks / Co-op Banks / Post Office
SFT- 005: Time deposit - to be furnished by Banks / Co-op Banks / Post Office / NBFCs
SFT- 006: Payment for credit card by Banks
AND
SFT = 016 : Interest Income to be furnished by Banks / Co-op Banks / Post Office / NBFCs

▶ The new sub-rule 5A of rule 114E specifies that the information needs to be furnished in the prescribed form.

▶ The reporting entities are required to prepare the data file in the prescribed format from their internal system. An excel-based report preparation utility has also been provided to assist small reporting entities in preparing data file.

◉ The reporting entities such as banks are advised to provide information of dividend income and interest income reported to the Income Tax Department, to the taxpayers which will enable them to reconcile the information displayed in the Annual Information Statement (AIS) (Form 26AS).

◉ In case of any inaccuracy in the information provided in the statement or the defects have been communicated to the reporting person/entity, it is required to remove the defects by submitting a correction/deletion statement.

- For the purposes of pre-filling the return of income, CBDT has issued Notification No. 16/2021 dated 12.03.2021 to include reporting of information relating to dividend income. The new sub rule 5A of rule 114E specifies that the information shall be furnished in such form, at such frequency, and in such manner, as may be specified by the Director General of Income Tax (Systems), with the approval of the Board.

- Reporting Entity to prepare Data File in the prescribed manner

- The guidelines for preparation and submission of Statement of Financial Transactions (SFT) information in Annexure A and Annexure B of the notification respectively.

- The data structure and validation rules in Annexure C and Annexure D of the notification respectively.

- Notification No. 3 of 2018 Dated 5.04.2018 may be referred for the procedure for registration.

◉ The information is to be reported for all dividend distributed during the financial year.

◉ One report would include details of dividend payment to one person.

◉ Dividend will be the total amount of dividend distributed during the financial year.

- Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Interest income Section 285BA of the Income Tax Act, 1961 and Rule 114E requires specified reporting persons to furnish statement of financial transaction (SFT).

- Class of person required to furnish

  i. 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 that Act);

  ii. Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898).

  iii. 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.

- Reporting Entity to prepare Data File in the prescribed manner

- The guidelines for preparation and submission of Statement of Financial Transactions (SFT) information in Annexure A and Annexure B of the notification respectively.

- The data structure and validation rules in Annexure C and Annexure D of the notification respectively.

- Notification No. 3 of 2018 Dated 5.04.2018 may be referred for the procedure for registration.

Salient Features of Notification No. 2 of 2021 in respect of SFT 16 – Interest Income...(3)

◉ The information is to be reported for all account/deposit holders where cumulative interest exceeds Rs 5,000/ per person in the financial year Foreign Currency Account etc. need not be reported.

◉ While reporting the interest amount, deduction of Rs. 10,000/ available under section 80TTA should not be reduced from interest amount paid/credited.

◉ In case of joint account, the interest paid/credited should be assigned to the first/primary account holder or specified assigned person as per Form 37BA.

◉ Interest which is exempt from tax under the Income Tax Act, 1961 such as interest on Public Provident Fund (PPF) Account, Foreign Currency Non Resident (FCNR) Account, Sukanya Samriddhi Account, Resident Foreign Currency Account etc. need not be reported.

◉ In case of minor being the account holder, the information to be reported in the name of Legal Guardian.

◉ Separate report is required to be submitted for each account type (i.e. Savings, Time Deposit, Recurring Deposit, Others) and Interest on same account type is required to be aggregated in the report.

◉ Interest will be the total amount of Interest paid/credited during the financial year.

PREPARATION AND SUBMISSION
OF
SFT 15
AND
SFT 16

Preparation and Submission of SFT for Dividend Income (SFT-015)

2021

Overview

1. Reporting Obligation
2. Prescribed Data Structure
3. Preparation of Report
4. Validation of Report
5. Generation of Secure Package
6. Upload of Package
7. Correction and Deletion
8. Frequently Asked Questions (FAQs)

Reporting Obligation

Nature and value of transaction	Dividend distributed during the financial year
Class of person required to furnish	A company paying dividend.

Guidelines

1. The information is to be reported for all dividend distributed during the financial year.

2. One report would include details of dividend payment to one person.

3. Dividend will be the total amount of dividend distributed during the financial year.

Prescribed Data Structure

Data Structure

The information is required to be uploaded in data file. The data file should be in ASCII format with one report per line. All fields in each file should be delimited with the delimiter "|".

#	Field	Format	Mandatory	Remarks
1.	RSN	Num (10)	Y	Report Serial Number is the unique number to identify each report in the file.
2.	FY	Num(4)	Y	Financial Year (2020 for FY 2020-21)
3.	Name	Char (150)	Y	Name of the person/ Entity
4.	PAN	Char (10)	Y	PAN of the person. Mention PANNOTAVBL if PAN is not available
5.	Aadhaar	Char (15)		Aadhaar of the person.
6.	Address	Char (600)	Y	Complete Address
7.	Pincode	Num (6)		Pincode of the person/ entity
8.	Mobile	Char (20)		Mobile Number of the person
9.	Email	Char (100)		e-Mail Id of the person
10.	Dividend	Num (15)	Y	Total dividend paid/ credited during the year (rounded off in nearest rupee)

Report Template

1. **Template available for Download at Home Page>>Dividend Income Tab or Home Page>>Dividend Income Tab**

2. **Click on Download Template Button to Download Template**

3. **The Template is available in Text File (Pipe Delimited Format)**

Sample Template

Dividend Income_Template - Notepad

File   Edit   Format   View   Help

RSN|FY|Name|PAN|Aadhaar|Address|Pincode|Mobile|Email|Dividend

Pls note that Separate Templates have been provided as per Data structure for Interest Income and Dividend Income

Preparation of Reports

Preparation of Data Files

◉ Reporting entities are required to prepare the data file in prescribed format from their internal system.

◉ An excel based report preparation utility has also been provided to assist small reporting entities in preparing data file.
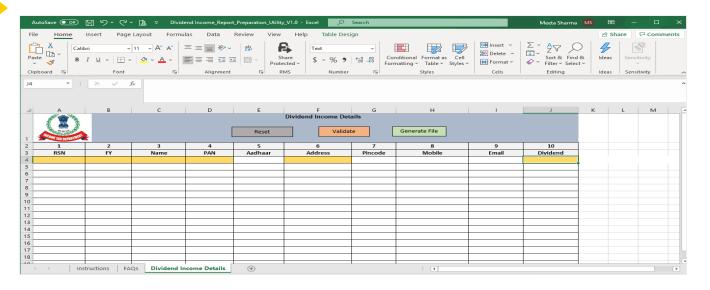
◉ The data files prepared by internal system/report preparation utility should be validated using Submission Utility.

Excel Based Report Preparation Utility

1. **Excel Based Report Preparation Utility available under "Utilities" at Resources at Home Page**
2. **Separate Utilities available for Dividend Income**
3. **User can Validate Date and generate Text File**

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Excel Based Report Preparation Utility

1. **Success Message will be displayed on successful validation of Data in Utility**

2. **User needs to click on "Generate File" to Generate Text File (Pipe Delimited)**

Validation of Reports

Validation Rules (1/6)

#	Validation	Error Message
1	File should be generated using Submission Utility	File should be generated using Submission Utility.
2	The header in file should be as per specified format	The header in file should be as per specified format.
3	Failed Decryption	Failed Decryption. Please encrypt the file with a valid key using Validation and Encryption Utility and resubmit.
4	Failed Decompression	Failed Decompression. Please compress the file using Validation and Encryption Utility and resubmit.
5	Failed Signature Check	Failed Signature Check. Please sign the file with the Digital Signature using Validation and Encryption Utility and resubmit.

#	Validation	Error Message
6	Signature Mismatch	Digital Signature used in file for signing does not match with Digital Signature registered on Reporting Portal. Please re-sign the file with the Digital Signature of the Designated Director.
7	Signature not Uploaded	Digital Signature not uploaded. Please upload the digital signature certificate file on the Reporting portal.
8	Signature Expired	Signature Expired. Please upload the updated digital signature certificate on the Reporting portal as the existing certificate is expired.
9	Failed Threat Scan	Failed Threat Scan. Please scan the file for threats and viruses. Remove all detected threats and viruses prior to encryption.
10	Failed Virus scan	Failed Virus scan. Please scan the file for threats and viruses. Remove all detected threats and viruses prior to encryption.

#	Validation	Error Message
11	RSN should not be blank (mandatory field)	RSN is blank in XX reports
12	RSN length should not be more than 10	RSN length is more than 10 in XX reports
13	RSN field should not contain non-numeric value.	Value in RSN field is non-numeric in XX reports
14	RSN should not be in exponential (scientific) format.	RSN is in exponential (scientific) format in XX reports.
15	Duplicate RSN in file	Duplicate RSN in XX reports.
16	FY Should not be Blank	FY is Blank in XX Reports
17	FY length should be 4	FY length is not 4 in XX reports
18	FY field should not contain non-numeric value.	Value in FY field is non-numeric in XX reports

#	Validation	Error Message
19	FY mentioned against each report should match with FY selected on upload screen.	The FY selected on upload screen is not matching with FY mentioned against XX reports.
20	Name field should not be blank (mandatory field)	Name is blank in XX reports
21	Name length should not exceed 150 character	Name length exceeds 150 character in XX reports
22	PAN length should be 10	PAN length is not 10 in XX reports. Mention PANNOTAVBL if PAN is not available
23	Duplicate PAN in file	Duplicate PAN in XX reports.
24	Aadhaar length should not exceed 15 character	Aadhaar length exceeds 15 character in XX reports
25	Aadhaar should not be in exponential (scientific) format.	Aadhaar is in exponential (scientific) format in XX reports.
26	Address field should not be blank (mandatory field)	Address is blank in XX reports.
27	Address length should not exceed 600 character	Address length exceeds 600 character in XX reports

Validation Rules (5/6)

| #	Validation	Error Message
28	Pincode length should not exceed 6	Pincode length exceeds 6 in XX reports
29	Pincode field should not contain non-numeric value.	Value in Pincode field is non-numeric in XX reports
30	e-Mail length should not exceed 100 character	e-Mail length exceeds 100 character in XX reports
31	Mobile length should not exceed 20	Mobile length exceeds 20 in XX reports
32	Mobile Number should not be in exponential (scientific) format.	Mobile Number is in exponential (scientific) format in XX reports.
33	Dividend field should not be blank (mandatory field)	Dividend is blank in XX reports
34	Dividend field should not contain non-numeric value.	Value in Dividend field is non-numeric in XX reports
35	Dividend length should not exceed 15 digits	Dividend length exceeds 15 digits in XX reports
36	Dividend should not be in exponential (scientific) format.	Dividend is in exponential (scientific) format in XX reports.

Validation Rules (6/6)
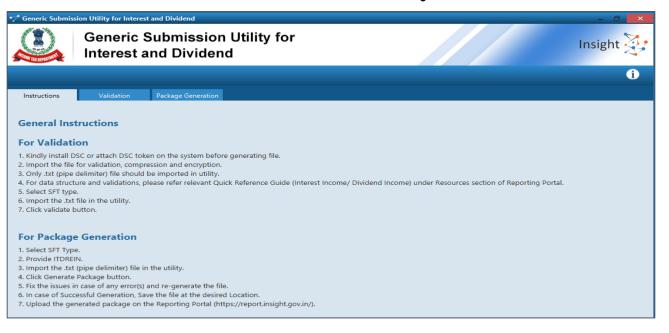
#	Validation	Error Message
37	Duplicate Reports (all fields other than RSN)	Duplicate Reports (all fields other than RSN) in XX reports.
38	Failed Original Report Serial Number in Correction/ Deletion Statement	Report Serial Number in XX Reports of Correction/ Deletion Statement does not match with the RSN in the Original Statement submitted earlier.
39	Failed Original Report Serial Number in correction/ deletion (after Deletion)	Report Serial Number in XX Reports of Correction/ Deletion Statement corresponds to the report already deleted.
40	Report details mentioned in Deletion Statement should match with details mentioned in original file	Details mentioned in XX Reports of Deletion Statement do not match with the details mentioned in the Original Statement submitted earlier (corresponding to the provided RSN).

Java Based Submission Utility

1. Java Based submission Utility has been provided for Validation of Reports prepared through Internal system
2. The Utility has been provided under "Utilities" Tab of "Resources" available at Home Page

Java Based Submission Utility

User needs to select SFT Type, Browse Text File (Pipe Delimited) and click on validate button to Validate the Reports prepared.

Java Based Submission Utility

Success Message will be displayed on Successful Validation of Text File. Else the Error file will be generated and user will be prompted to save the Error file in desired Location.

Generation of Secure Package

Generation of Secure Package

◉ After validation, the text file is required to be compressed, encrypted and signed using the Submission Utility before uploading on the reporting portal (https://report.insight.gov.in/).

Selecting Data Files

1. User needs to click on Package Generation Tab of Submission Utility to Generate the Package
2. User needs to select SFT Type, Provide ITDREIN and browse file
3. Also, user needs to ensure that DSC is attached or installed before Generating Package
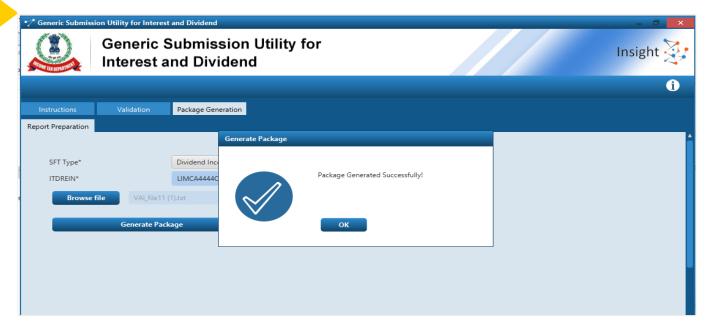
Digital Signing

DSC Installed or attached on the system will be available for selection and signing on clicking Generate Package in previous screen

Generation of Package

1. Success Message will be generated on successful generation of Package. User will be prompted to save the package having extension .tar.gz at the desired location
2. In case of Error in Generation of Package, error log will be generated in the folder in which Utility is saved.

Upload of Package

Guidelines for Submission

- Any file which does not meet the validation requirements will be rejected.

- After upload each upload file will be given unique Statement ID.

- The file upload status will be as below:

  - **Uploaded – File uploaded and pending for processing.**

  - **Accepted – File accepted after processing.**

  - **Rejected – File rejected after processing.**

- In case of any error, complete file will be rejected and the rejection reason(s) can be viewed by clicking Rejected link under status column.

- User need to correct the relevant error(s) and upload the file again.

Upload Level Validation

Upload level validation would be done to ascertain that the correct file is being uploaded. The file would be rejected at the upload stage if it does not clear the upload level validations.
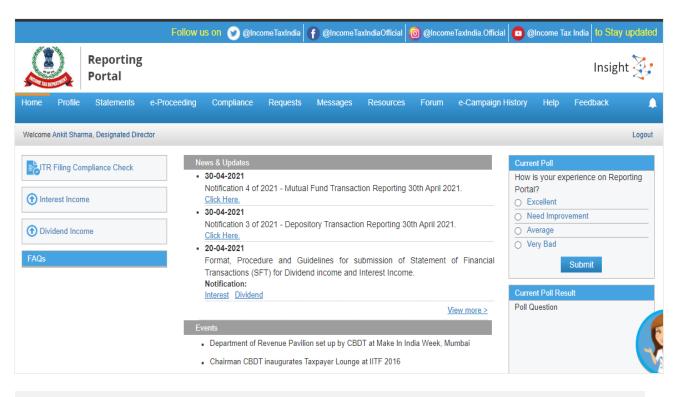
1. **File should not be more than prescribed size**
   - Any file size greater than 6MB, will be rejected.
   - The number of records in one file may be kept less than 4 lakh.
2. **File name should not have been uploaded earlier (Only for original statement)**
3. **File Name is not in the specified format**
4. **The entered Statement ID should be available (For Correction/ Deletion)**
5. **ITDREIN in the file name should match with the ITDREIN mentioned on Portal**

Uploading of Reports at Reporting Portal

Login to Reporting Portal and select "Dividend Income" Tab available at Left side of Home page after Login

Uploading of Reports at Reporting Portal

Select Upload File option

Uploading of Reports at Reporting Portal

Upload File

ITDREIN	LIMCA4444Q.AZ675
Reporting Entity Name	Ankit
User Name	Ankit Sharma
User Role	Designated Director
Reporting Entity Category	Others
Financial Year *	2020-21
Type of Filing *	Select Type of Filing

Choose File | No file chosen

[Submit] [Cancel]

Select Financial Year, Type of Filing and Browse File and click on Submit

Check Status of Statement

Reporting Portal

Insight

Home | Profile | Statements | e-Proceeding | Requests | e-Campaign | Messages | Resources | Forum | Help | Feedback | New

Welcome, Kartik Mehta

Logout

🏠 Dividend Income

Dividend Income

Statement ID	Uploaded on	Uploaded by	File Name	Records	Dividend	Records with valid PAN	Dividend for valid PAN	Type of Filing	Original Statement ID	Status
XXXXXXX	01-10-2020	Kartik Mehta	AABCJ1234E.AB123_DIV_2020_0001.txt	-	-	-	-	Correction	12345	Uploaded
XXXXXXX	30-09-2020	Kartik Mehta	AABCJ1234E.AB123_DIV_2020_0002.txt	-	-	-	-	Deletion	12345	Rejected
XXXXXXX	29-09-2020	Kartik Mehta	AABCJ1234E.AB123_DIV_2020_0003.txt	1,00,000	10,00,000	95,000	9,80,000	Original	-	Accepted

Download Template | Upload File

1. The File will be displayed with status "Uploaded" on submission. The status will be changed to "Accepted" or "Rejected" after submission
2. The Rejection Reason will be available on click on "Rejected" status hyperlink
3. User will be able to download the Receipt by clicking PDF Icon displayed on Right side of screen

Correction and Deletion

Correction of Report

◉ In case Reporting Entity needs to modify uploaded data, Correction Statement is required to be filed. In the Correction Statement, only those reports should be uploaded in which correction is required.

◉ Statement ID of the original Statement which is being corrected should be selected while uploading.

◉ The Report Serial Number (RSN) along with Original Statement ID will uniquely identify the report which is being corrected.

◉ If the correction statement is successfully accepted, the reports in the earlier statement will be marked as inactive and the newly uploaded report will be active.

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Deletion of Report

- In case Reporting Entity needs to delete uploaded data, Deletion Statement is required to be filed.

- In the Deletion Statement, only those reports should be uploaded which are to be deleted. Statement ID of the original Statement which is being deleted should be selected while uploading.

- The Report Serial Number (RSN) along with Original Statement ID will uniquely identify the report which is being deleted.

- If the Deletion Statement is successfully accepted, the reports in the earlier statement will be marked as inactive.

Frequently Asked Questions

What are the key points to be remembered to avoid rejection of Uploaded File at Reporting Portal?

◉ The File should be generated in specified Format using Submission Utility provided at Reporting Portal

◉ The File should not exceed Maximum Size Limit allowed at Portal
  ○ Any file size greater than 6MB, will be rejected.
  ○ The number of records in one file may be kept less than 4 lakh.

◉ The Data should be prepared in specified Format as prescribed for particular File Type

◉ Digital Signature used in file for signing should be updated (Not expired) and should match with the Digital Signature of Designated Director registered on Reporting Portal.

◉ Remove all detected threats and viruses prior to encryption.

What Should be done in case File uploaded at Reporting Portal has been Rejected due to "Data Validation Failure"

- The Data Validation will be failed at Reporting Portal in case the Reported data is not in prescribed format

- In order to avoid such Rejection Reason kindly ensure data is prepared in Specified Format only.

What Should be done in case File uploaded at Reporting Portal has been Rejected due to "Failed Decryption"

◉ Please encrypt the file with a valid key using Validation and Encryption Utility and resubmit.

What Should be done in case File uploaded at Reporting Portal has been Rejected due to "Failed Decompression"

◉ Please compress the file using Validation and Encryption Utility and resubmit.

What Should be done in case File uploaded at Reporting Portal has been Rejected due to "Failed Signature Check"

- ◉ Please sign the file with the Digital Signature using Validation and Encryption Utility and resubmit.

Preparation and Submission of SFT for Interest Income (SFT–16)

2021

Overview

1. Reporting Obligation
2. Prescribed Data Structure
3. Preparation of Report
4. Validation of Report
5. Generation of Secure Package
6. Upload of Package
7. Correction and Deletion
8. Frequently Asked Questions (FAQs)

Reporting Obligation

Reporting Obligation

Nature and value of transaction	Interest paid/credited during the financial year.
Class of person required to furnish	(i) 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 that Act); (ii) Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898). (iii) 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.

Guidelines for Preparation

1. The information is to be reported for all account/deposit holders where cumulative interest exceeds Rs 5,000/- per person in the financial year.

2. Interest which is exempt from tax under the Income-tax Act, 1961 such as interest on Public Provident Fund (PPF) Account, Foreign Currency Non-resident (FCNR) Account, Sukanya Samriddhi Account, Resident Foreign Currency Account etc. need not be reported.

3. While reporting the interest amount, deduction of Rs. 10,000/- available under section 80TTA should not be reduced from interest amount paid/credited.

4. In case of joint account, the interest paid/credited should be assigned to the first/primary account holder or specified assigned person as per Form 37BA.

5. In case of minor being the account holder, the information to be reported in the name of Legal Guardian.

6. Separate report is required to be submitted for each account type (i.e. S-Savings, T-Time Deposit, R-Recurring Deposit, O-Others) and Interest in same account is required to be aggregated in the report.

7. Interest will be the total amount of Interest paid/credited during the financial year.

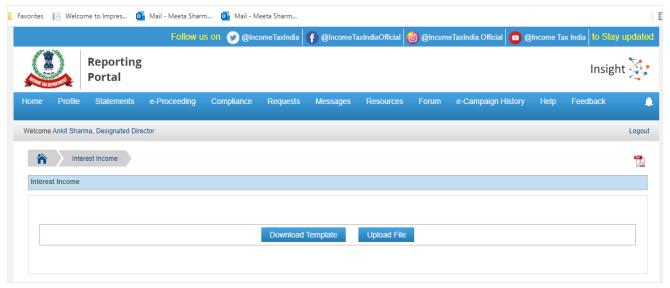# Prescribed Data Structure

Data Structure

The information is required to be uploaded in data file. The data file should be in ASCII format with one report per line. All fields in each file should be delimited with the delimiter "|".

#	Field	Format	Mandatory	Remarks
1.	RSN	Num (10)	Y	Report Serial Number is the unique number to identify each report in the file.
2.	FY	Num (4)	Y	Financial Year (2020 for FY 2020-21)
3.	Name	Char (150)	Y	Name of the person/ Entity
4.	PAN	Char (10)	Y	PAN of the person. Mention PANNOTAVBL if PAN is not available.
5.	Aadhaar	Char (15)		Aadhaar of the person.
6.	Mobile	Char (20)		Mobile Number of the person
7.	Email	Char (100)		e-Mail Id of the person
8.	Account Number	Char (20)	Y	Account Number (in which interest paid/ credited)
9.	Type of Account	Char (1)	Y	S-Savings, T-Time Deposit, R-Recurring Deposit, O-Others
10.	Interest	Num (15)	Y	Total interest paid/ credited during the year (rounded off in nearest rupee)

Reporting Portal

Insight

Home | Profile | Statements | e-Proceeding | Compliance | Requests | Messages | Resources | Forum | e-Campaign History | Help | Feedback

Welcome Ankit Sharma, Designated Director

Logout

Interest Income

Interest Income

Download Template | Upload File

1. **Template available for Download at Home Page>>Interest Income Tab or Home Page>>Interest Income Tab**
2. **Click on Download Template Button to Download Template**
3. **The Template is available in Text File (Pipe Delimited**

```
Interest Income_Template - Notepad                                    —  □  X

File  Edit  Format  View  Help
RSN|FY|Name|PAN|Aadhaar|Mobile|Email|Account Number|Type of Account|Interest
```

Pls note that Separate Templates have been provided as per Data structure for Interest Income and Dividend Income
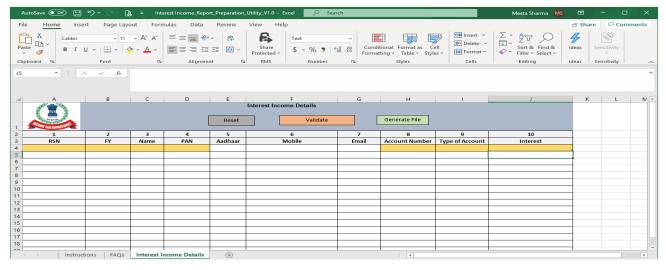
Preparation of Reports

Preparation of Data Files

◉ Reporting entities are required to prepare the data file in prescribed format from their internal system.

◉ An excel based report preparation utility has also been provided to assist small reporting entities in preparing data file.

◉ The data files prepared by internal system/report preparation utility should be validated using Submission Utility.
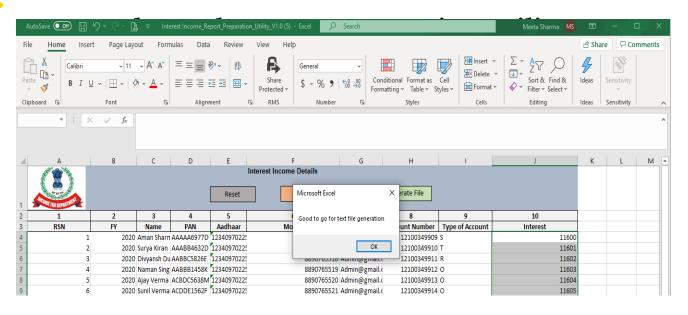
1. **Excel Based Report Preparation Utility available under "Utilities" at Resources at Home Page**

2. **Separate Utilities available for Interest Income**

3. **User can Validate Date and generate Text File**

1. **Success Message will be displayed on successful validation of Data in Utility**

2. **User needs to click on "Generate File" to Generate Text File (Pipe Delimited)**

Validation of Reports

Validation Rules (1/6)

#	Validation	Error Message
1	File should be generated using Submission Utility	File should be generated using Submission Utility.
2	The header in file should be as per specified format	The header in file should be as per specified format.
3	Failed Decryption	Failed Decryption. Please encrypt the file with a valid key using Validation and Encryption Utility and resubmit.
4	Failed Decompression	Failed Decompression. Please compress the file using Validation and Encryption Utility and resubmit.
5	Failed Signature Check	Failed Signature Check. Please sign the file with the Digital Signature using Validation and Encryption Utility and resubmit.

#	Validation	Error Message
6	Signature Mismatch	Digital Signature used in file for signing does not match with Digital Signature registered on Reporting Portal. Please re-sign the file with the Digital Signature of the Designated Director.
7	Signature not Uploaded	Digital Signature not uploaded. Please upload the digital signature certificate file on the Reporting portal.
8	Signature Expired	Signature Expired. Please upload the updated digital signature certificate on the Reporting portal as the existing certificate is expired.
9	Failed Threat Scan	Failed Threat Scan. Please scan the file for threats and viruses. Remove all detected threats and viruses prior to encryption.
10	Failed Virus scan	Failed Virus scan. Please scan the file for threats and viruses. Remove all detected threats and viruses prior to encryption.

#	Validation	Error Message
11	RSN should not be blank (mandatory field)	RSN is blank in XX reports
12	RSN length should not be more than 10	RSN length is more than 10 in XX reports
13	RSN field should not contain non-numeric value.	Value in RSN field is non-numeric in XX reports
14	RSN should not be in exponential (scientific) format.	RSN is in exponential (scientific) format in XX reports.
15	Duplicate RSN in file	Duplicate RSN in XX reports.
16	FY length should be 4	FY length is not 4 in XX reports
17	FY field should not contain non-numeric value.	Value in FY field is non-numeric in XX reports
18	FY mentioned against each report should match with FY selected on upload screen.	The FY selected on upload screen is not matching with FY mentioned against XX reports.

#	Validation	Error Message
19	Name field should not be blank (mandatory field)	Name is blank in XX reports
20	Name length should not exceed 150 character	Name length exceeds 150 character in XX reports
21	PAN length should be 10	PAN length is not 10 in XX reports. Mention PANNOTAVBL if PAN is not available
22	Account Number field should not be blank (mandatory field)	Account Number is blank in XX reports
23	Account Number length should not exceed 20	Account Number length exceeds 20 in XX reports
24	Account Number should not be in exponential (scientific) format.	Account Number is in exponential (scientific) format in XX records.
25	Type of account field should not be blank (mandatory field)	Type of account is blank in XX reports
26	Type of account length should not exceed 1 character	Type of account length exceeds 1 character in XX records
27	Type of account should not be other than (S, T, R, O)	Type of account is other than (S, T, R, O) in XX records

#	Validation	Error Message
28	Aadhaar length should not exceed 15 character	Aadhaar length exceeds 15 character in XX reports
29	Aadhaar should not be in exponential (scientific) format.	Aadhaar is in exponential (scientific) format in XX reports.
30	e-Mail length should not exceed 100 character	e-Mail length exceeds 100 character in XX reports
31	Mobile length should not exceed 20	Mobile length exceeds 20 in XX reports
32	Mobile Number should not be in exponential (scientific) format.	Mobile Number is in exponential (scientific) format in XX reports.
33	Interest field should not be blank (mandatory field)	Interest is blank in XX reports
34	Interest field should not contain non-numeric value.	Value in Interest field is non-numeric in XX reports
35	Interest length should not exceed 15 digits	Interest length exceeds 15 digits in XX reports
36	Interest should not be in exponential (scientific) format.	Interest is in exponential (scientific) format in XX reports.
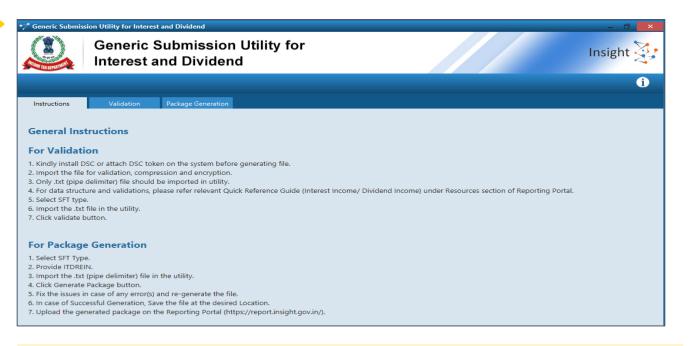
#	Validation	Error Message
37	Duplicate Reports (PAN, Type of account, account number)	Duplicate values (PAN, Type of account, account number) in XX records.
38	Duplicate Reports (all fields other than RSN)	Duplicate Reports (all fields other than RSN) in XX reports.
39	Failed Original Report Serial Number in Correction/ Deletion Statement	Report Serial Number in XX Reports of Correction/ Deletion Statement does not match with the RSN in the Original Statement submitted earlier.
40	Failed Original Report Serial Number in correction/ deletion (after Deletion)	Report Serial Number in XX Reports of Correction/ Deletion Statement corresponds to the report already deleted.
41	Report details mentioned in Deletion Statement should match with details mentioned in original file	Details mentioned in XX Reports of Deletion Statement do not match with the details mentioned in the Original Statement submitted earlier

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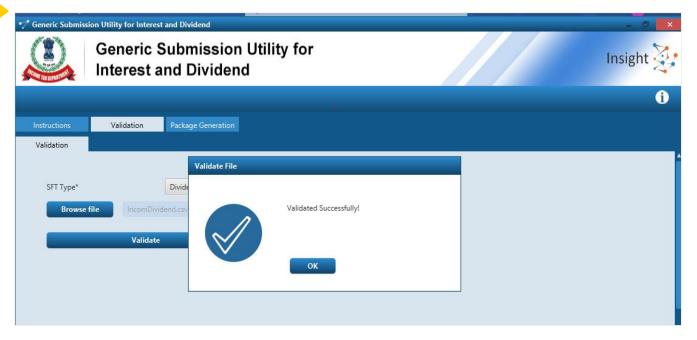
Generic Submission Utility for Interest and Dividend

Insight

| Instructions | Validation | Package Generation |

General Instructions

For Validation

1. Kindly install DSC or attach DSC token on the system before generating file.
2. Import the file for validation, compression and encryption.
3. Only .txt (pipe delimiter) file should be imported in utility.
4. For data structure and validations, please refer relevant Quick Reference Guide (Interest Income/ Dividend Income) under Resources section of Reporting Portal.
5. Select SFT type.
6. Import the .txt file in the utility.
7. Click validate button.

For Package Generation

1. Select SFT Type.
2. Provide ITDREIN.
3. Import the .txt (pipe delimiter) file in the utility.
4. Click Generate Package button.
5. Fix the issues in case of any error(s) and re-generate the file.
6. In case of Successful Generation, Save the file at the desired Location.
7. Upload the generated package on the Reporting Portal (https://report.insight.gov.in/).

1. **Java Based submission Utility has been provided for Validation of Reports prepared through Internal system**
2. **The Utility has been provided under "Utilities" Tab of "Resources" available at Home Page**

User needs to select SFT Type, Browse Text File (Pipe Delimited) and click on validate button to Validate the Reports prepared.

Success Message will be displayed on Successful Validation of Text File. Else the Error file will be generated and user will be prompted to save the Error file in desired Location.
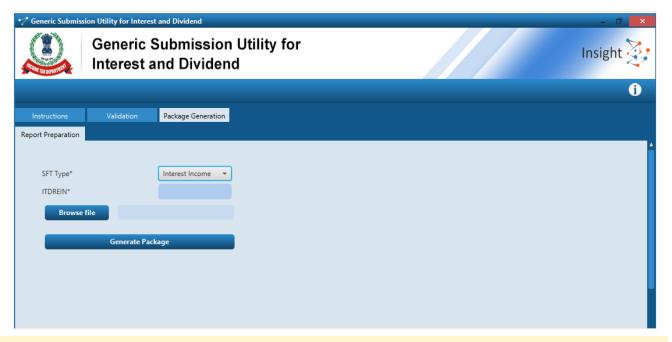
Generation of Secure Package

Generation of Secure Package

⊙ After validation, the text file is required to be compressed, encrypted and signed using the Submission Utility before uploading on the reporting portal (https://report.insight.gov.in/).

1. User needs to click on Package Generation Tab of Submission Utility to Generate the Package
2. User needs to select SFT Type, Provide ITDREIN and browse file
3. Also user needs to ensure that DSC is attached or installed before Generating Package

DSC Installed or attached on the system will be available for selection and signing on clicking Generate Package in previous screen

1. Success Message will be generated on successful generation of Package. User will be prompted to save the package having extension .tar.gz at the desired location
2. In case of Error in Generation of Package, error log will be generated in the folder in which Utility is saved.

Upload of Package

Guidelines for Submission

◉ Any file which does not meet the validation requirements will be rejected.

◉ After upload each upload file will be given unique Statement ID.

◉ The file upload status will be as below:

○ **Uploaded – File uploaded and pending for processing.**

○ **Accepted – File accepted after processing.**

○ **Rejected – File rejected after processing.**

◉ In case of any error, complete file will be rejected and the rejection reason(s) can be viewed by clicking Rejected link under status column.

◉ User need to correct the relevant error(s) and upload the file again.

Upload Level Validation

Upload level validation would be done to ascertain that the correct file is being uploaded. The file would be rejected at the upload stage if it does not clear the upload level validations.

1. **File should not be more than prescribed size**
   - Any file size greater than 6MB, will be rejected.
   - The number of records in one file may be kept less than 4 lakh.

2. **File name should not have been uploaded earlier (Only for original statement)**

3. **File Name is not in the specified format**

4. **The entered Statement ID should be available (For Correction/ Deletion)**

5. **ITDREIN in the file name should match with the ITDREIN mentioned on Portal**
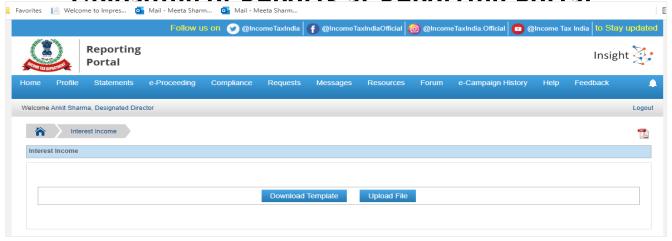
Login to Reporting Portal and select "Interest Income" or "Dividend Income" Tab available at Left side of Home page after Login

Uploading of Reports at Reporting Portal
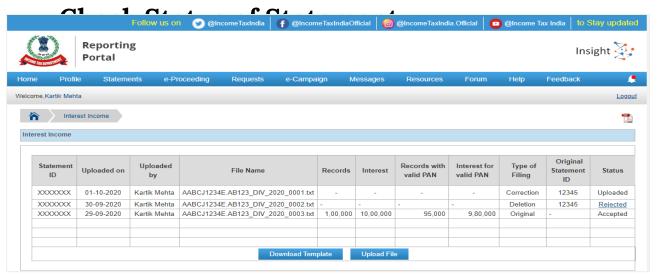

Select Upload File option

Select Financial Year, Type of Filing and Browse File and click on Submit

Check Status of Statement

1. The File will be displayed with status "Uploaded" on submission. The status will be changed to "Accepted" or "Rejected" after submission
2. The Rejection Reason will be available on click on "Rejected" status hyperlink
3. User will be able to download the Receipt by clicking PDF Icon displayed on Right side of screen

Correction and Deletion

Correction of Report

- In case Reporting Entity needs to modify uploaded data, Correction Statement is required to be filed. In the Correction Statement, only those reports should be uploaded in which correction is required.

- Statement ID of the original Statement which is being corrected should be selected while uploading.

- The Report Serial Number (RSN) along with Original Statement ID will uniquely identify the report which is being corrected.

- If the correction statement is successfully accepted, the reports in the earlier statement will be marked as inactive and the newly uploaded report will be active.

Deletion of Report

- In case Reporting Entity needs to delete uploaded data, Deletion Statement is required to be filed.

- In the Deletion Statement, only those reports should be uploaded which are to be deleted. Statement ID of the original Statement which is being deleted should be selected while uploading.

- The Report Serial Number (RSN) along with Original Statement ID will uniquely identify the report which is being deleted.

- If the Deletion Statement is successfully accepted, the reports in the earlier statement will be marked as inactive.

Frequently Asked Questions

What are the key points to be remembered to avoid rejection of Uploaded File at Reporting Portal?

- ◎ The File should be generated in specified Format using Submission Utility provided at Reporting Portal
- ◎ The File should not exceed Maximum Size Limit allowed at Portal
  - ○ Any file size greater than 6MB, will be rejected.
  - ○ The number of records in one file may be kept less than 4 lakh.
- ◎ The Data should be prepared in specified Format as prescribed for particular File Type
- ◎ Digital Signature used in file for signing should be updated (Not expired) and should match with the Digital Signature of Designated Director registered on Reporting Portal.
- ◎ Remove all detected threats and viruses prior to encryption.

What Should be done in case File uploaded at Reporting Portal has been Rejected due to "Data Validation Failure"

◉ The Data Validation will be failed at Reporting Portal in case the Reported data is not in prescribed format

◉ In order to avoid such Rejection Reason kindly ensure data is prepared in Specified Format only.

What Should be done in case File uploaded at Reporting Portal has been Rejected due to "Failed Decryption "

◉ **Please encrypt the file with a valid key using Validation and Encryption Utility and resubmit.**

What Should be done in case File uploaded at Reporting Portal has been Rejected due to "Failed Decompression"

◉ Please compress the file using Validation and Encryption Utility and resubmit.

What Should be done in case File uploaded at Reporting Portal has been Rejected due to "Failed Signature Check"

◉ Please sign the file with the Digital Signature using Validation and Encryption Utility and resubmit.
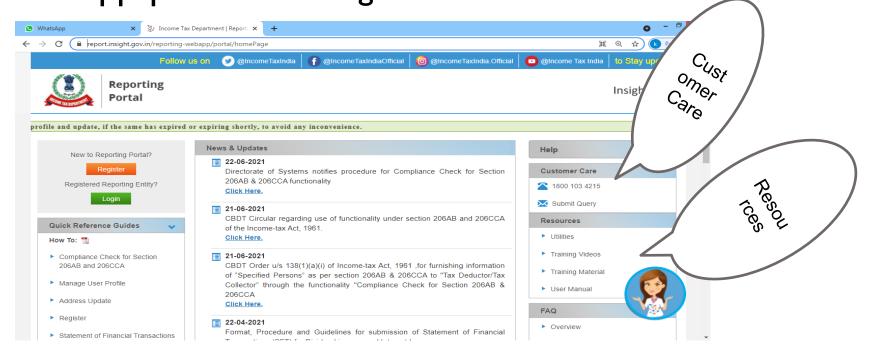
- Yes, the field is alphanumeric in nature and accepts both numeric as well as alphabets so as to be in sync with existing RBI guidelines.

- It thus would easily accommodate certain types of bank accounts such as group accounts which might be alphanumeric in nature.

ADDRESS – https://report.insight.gov.in/reporting–webapp/portal/homePage

TEAM I&CI, NAGPUR

Ms. Mahua Sarkar, DIT

Dr Kaumudi Patil, Addl DIT

H Shreenivasa, ADIT

V G Sivadasan, ADIT

Suresh Ghungrud,
ITO Hq

Sai Rao
ITO 1

D K Jain
ITO 2

P D Nandanwar
ITO 3 & 4

V P Kamble
ITO 5

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Contact us at:
nagpur.dit.ici.incometax.gov.in
nagpur.addldit.ici.incometax.gov.in

Area	Jurisdictional Officer	Contact No.
Nagpur City & Nagpur Rural	Shri H Shreenivas, ADIT	8762301167
Wardha District	Shri V G Sivadasan, ADIT	8547000159
Bhandara & Gondia District	Ms Sai Rao, ITO	7291897944
Chandrapur & Gadchiroli District	Shri D K Jain, ITO	7588630295
Amravati Distict	Shri V P Kamble, ITO	7588630099
Akola, Buldhana, Washim & Yavatmal District	Shri P D Nandanwar, ITO	7588630186

Thank You!!