

**Corrigendum to Notification No. 3. of 2021**

Government of India  
Ministry of Finance  
Central Board of Direct Taxes  
Directorate of Income Tax (Systems)  
**Corrigendum to Notification No. 3. of 2021**

New Delhi, 15/11/2023

**Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Depository Transactions.**

The format, procedure, and guidelines for submission of information relating to capital gains on transfer of listed securities or units of mutual funds by Depository Institutions was notified vide notification no. 3 of 2021 dated 30<sup>th</sup> April 2021 as per the mandate of Section 285BA of the Income Tax Act, 1961 and Rule 114E sub-rule 5A. The notification lists various files, file formats, data types for different data fields that need to be reported, and various DQ rules that should be validated by Depository Institutions before submission of the data.

2. Subsequently, discussions were held with representatives of Depository Institutions. Accordingly, following changes are made to the said notification.
3. The S.No. 6 of the existing notification mentions the following

*“The statement of financial transactions relating to Financial Year 2020-21 shall be furnished on or before the 31st May 2021. Thereafter, the statement of financial transactions relating to the quarter ending 30th June, 31st September, 31st December and 31st March shall be furnished on or before 25th of July, October, January and April respectively.”*

This should be read as following:

*“With effect from 1<sup>st</sup> April 2023 the statement of financial transactions data will be submitted on half yearly basis instead of existing quarterly basis i.e. data relating to 1<sup>st</sup> half of the Financial Year ending 30<sup>th</sup> September and remaining half of the Financial Year ending on 31<sup>st</sup> March shall be furnished on or before 31<sup>st</sup> of October and 30<sup>th</sup> of April respectively.”*

4. In annexure A (Guidelines for Preparation of Statement of Financial Transactions (SFT)) of the existing notification, S.No.3 mentions the following:

*“The Estimated Sale Consideration for the debit transaction should be determined on the best possible available price of the asset with the*

Corrigendum to Notification No. 3. of 2021

*depository (e.g. end of day price). The taxpayer will be able to modify the sales consideration before filing the return.”*

This should be read as following:

“The Estimated Sale Consideration for the debit transaction should be determined on **Weighted Average Price i.e., taking into actual value of the transactions executed**. The taxpayer will be able to modify the sales consideration before filing the return.”

5. In annexure A (Guidelines for Preparation of Statement of Financial Transactions (SFT)) of the existing notification, S.No.5 mentions the following:

Security Class Code	Security Class Description	Minimum Period of Holding
LES	Listed Equity Share	12 months
LPS	Listed Preference Share	12 months
LDB	Listed Debenture	12 months
ZCB	Zero Coupon Bond	12 months
CIB	Listed Capital Indexed Bond	12 months
EMF	Unit of Equity Oriented Mutual Fund	12 months
UTI	Unit of UTI	12 months
UBT	Unit of Business Trust	36 months
OTU	Other Units	36 months
OTH	Other Listed Securities (Other than a unit)	12 months

This should be read as following:

Security Class Code	Security Class Description	Minimum Period of Holding	Remarks
LES	Listed Equity Share	12 months	-
LPS	Listed Preference Share	12 months	-
LDB	Listed Debenture	12 months	-
ZCB	Zero Coupon Bond	12 months	-
CIB	Listed Capital Indexed Bond	12 months	-
EMF	Unit of Equity Oriented Mutual Fund	12 months	-
UTI	Unit of UTI	12 months	Where more than 35% of its total proceeds are invested in the equity shares of domestic companies, this



**Corrigendum to Notification No. 3. of 2021**

Security Class Code	Security Description	Class	Minimum Period of Holding	Remarks
				information should be provided. <b>Note:</b> Where not more than 35% of its total proceeds are invested in the equity shares of domestic companies, (Specified Mutual Fund), it will always be classified as short-term capital asset <b>(Applicable from 1st April 2023)</b>
UBT	Unit of Business Trust		36 months	Where more than 35% of its total proceeds are invested in the equity shares of domestic companies, this information should be provided. <b>Note:</b> Where not more than 35% of its total proceeds are invested in the equity shares of domestic companies, (Specified Mutual Fund), it will always be classified as short-term capital asset <b>(Applicable from 1st April 2023)</b>
OTU	Other Units		36 months	Where more than 35% of its total proceeds are invested in the equity shares of domestic companies, this information should be provided. <b>Note:</b> Where not more than 35% of its total proceeds are invested in the equity shares of domestic companies, (Specified Mutual Fund), it will always be classified as short-term capital asset <b>(Applicable from 1st April 2023)</b>
OTH	Other Listed Securities (Other than a unit)		12 months	-
MLD	Market Linked Debenture		--	Short-Term Capital Assets <b>(w.e.f. 1st April 2024)</b>

6. In annexure A (Guidelines for Preparation of Statement of Financial Transactions (SFT)) of the existing notification, S.No.6 mentions the following:

*“For every debit transaction, the corresponding credit transaction should be identified using First in First Out (FIFO) method. The estimated cost of acquisition for the credit should be determined on the best possible available price with the depository. The cost of acquisition can be estimated as per the closing rate on the date (T-2) of transaction for market purchase. The estimated cost of acquisition is to be taken as NIL for OFF Market purchase, IPO or Corporate Action or for any transaction through other than Exchange. The taxpayer will be able to modify the cost of acquisition before filing the return.”*

This should be read as following:

*“For every debit transaction, the corresponding credit transaction should be identified using First in First Out (FIFO) method. The estimated cost of acquisition for the credit should be determined **on weighted average price of the asset i.e taking into actual value of the transactions, if purchase was made after 1<sup>st</sup> February 2018 or End of the day price, if purchase was made before 1<sup>st</sup> February 2018**, available with the depository. The estimated cost of acquisition is to be taken as NIL for OFF Market purchase, Corporate Action or for any transaction through other than Exchange. **IPO credit will be treated as Market credit and cost of the acquisition of the same will be arrived using the formula i.e. Number of shares allotted x Per unit price at which share is allotted. The taxpayer will be able to modify the cost of acquisition before filing the return.”***

7. In annexure D (D.3- Depository Transaction Summary (DEP\_TRN\_Summ.TXT)) of the existing notification, the data fields 16,17 & 18 is mentioned as following

#	Field	Mandatory	Format	Remarks
16.	Unit Sale price	Y	DECIMAL (18,2)	Estimated Sale price per unit.
17.	Sale Consideration	Y	Decimal (18,2)	Estimated Sale Consideration. Refer Guidelines
18.	COA	Y	DECIMAL (18,2)	Estimated Cost of acquisition without indexation. Refer Guidelines



Corrigendum to Notification No. 3. of 2021

These should be read as following:

#	Field	Mandatory	Format	Remarks
16.	Unit price	Y	DECIMAL (18,2)	Weighted Average sale price per unit (taking into account the actual value of the transactions)
17.	Sale Consideration	Y	Decimal(18,2)	Estimated Sale Consideration at Weighted Average price (taking into account the actual value of the transactions)
18.	COA	Y	Decimal(18,2)	Estimated Cost of acquisition without indexation Refer Guidelines.

8. In annexure D (D.3- Depository Transaction Summary (DEP\_TRN\_Summ.TXT)) of the existing notification, a new data field 24 is added for flag indication if the purchase of the security was before 1st February 2018 or after

#	Field	Mandatory	*Flag	Format	Remarks
24.	Purchase Flag	Y	B/A	VARCHAR(1)	Flag <b>B</b> : Purchase was made before 1 <sup>st</sup> February 2018 Flag <b>A</b> : Purchase was made on or after 1 <sup>st</sup> February 2018

  
(AMITAV)

DGIT(Systems), Delhi

Copy to:

1. PPS to the Chairman and Members, CBDT, North Block, New Delhi.
2. All Pr. Chief Commissioner/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)-I &2/ Media coordination and Official spokesperson of CBDT

**Corrigendum to Notification No. 3. of 2021**

4. DIT(IT)/DIT (Audit)/DIT (Vig.)/ADG (System) 1, 2, 3, 4, 5, 6, 7 / CIT (CPC) Bangalore/ CIT (CPC-TDS) Ghaziabad/ CIT (ITBA)/ CIT(OSD)(PMU).
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.irsofficersonline.gov.in](http://www.irsofficersonline.gov.in) and in DGIT(S) Corner.
10. ITBA publisher for uploading on ITBA portal.



DGIT(Systems), Delhi