
PAN Requirement and AIR Reporting



LUNAWAT & CO.

Chartered Accountants

6th February 2016

Ludhiana, Jalandhar

CA. PRAMOD JAIN

FCA, FCS, FCMA, LL.B, MIMA, DISA

A decorative graphic in the bottom right corner featuring a laptop and a stack of papers with green lines, set against a green background.

MANDATORY TO APPLY PAN



Total Income exceeds maximum amount not chargeable to tax



Carrying business / profession – turnover exceeds Rs. 5 Lacs



Required to furnish return u/s 139 (4A)



PROVISIONS - SECTIONS

139A(5)(c)

- **Quoting of PAN**

285BA

- **Statement of Specified Financial Transactions**

**271FA /
271FAA /
272B**

- **Penalties**



PROVISIONS - RULES

114B

- Transactions in which PAN is to be quoted

114C

- Verification of PAN

114D

- Furnishing of Form 60

114E

- Furnishing of Statement of Financial Transaction (AIR)

114F - H

- Furnishing of Statement of Reportable Account

PROVISIONS - FORMS

60

- Declaration from persons who do not have PAN

61

- Statement containing particulars of declaration received in Form No. 60

61A

- Statement of Specified Financial Transactions (AIR)

61B

- Furnishing of Statement of Reportable Account

PAN

**PAN
Requirement**

**PAN
Available**

**NO PAN
Form 60**

**No
Reporting**

**Report half
yearly in
Form 61**



PAN QUOTING W.E.F. 1.1.2016

S. No.	Nature of Transaction	Value of Transaction
1	Sale / Purchase of Motor Vehicle or Vehicle other than 2 Wheeler	All
2	Opening an Bank A/c other than time-deposit referred to at Sl. No.12 and Basic Savings Bank Deposit A/c	All
3	Application for Debit / Credit Card	All
4	Opening of Demat A/c	All
5	Payment to Hotel / Restaurant at any one time (earlier 25K)	Cash > 50000/-

PAN QUOTING W.E.F. 1.1.2016

S. No.	Nature of Transaction	Value of Transaction
6	Payment for Foreign Travel or foreign currency at 1 time (earlier 25K)	Cash > 50000/-
7	Payment to MF for purchase of Units	> 50000/-
8	Payment to Co. or Institution for Debentures / Bonds issued by it	> 50000/-
9	Payment to RBI for Bonds issued by it	> 50000/-
10	Cash Deposit with Bank in any 1 day	> 50000/-
11	Bank Draft / Pay Order / Banker Cheque during one day	Cash > 50000/-

PAN QUOTING W.E.F. 1.1.2016

S. No.	Nature of Transaction	Value of Transaction
12	Time Deposit with 1. Bank, 2. Post Office, 3. Nidhi Co. 4. NBFC	50000/- each transaction or 5 Lacs in aggregate during FY
13	Payment for 1 or more Prepaid Payment Instruments like smart card; magnetic stripe cards; internet a/c; online wallets; mobile a/c; mobile wallets; paper voucher; mass transit system; other	Cash / draft / PO / banker cheque aggregating > 50000/- in FY

PAN QUOTING W.E.F. 1.1.2016

S. No.	Nature of Transaction	Value of Transaction
14	Life Insurance Premium	Aggregating > 50000/- in FY
15	Sale / Purchase of Securities other than Shares per transaction	> 1 Lac
16	Sale / Purchase of unlisted shares per transaction (verification by Co) [E - 50k for issue of shares all Cos]	> 1 Lac
17	Sale / Purchase of Immovable Property (earlier 5 L)	> 10 Lacs Tran. value or 50C value

PAN QUOTING W.E.F. 1.1.2016

S. No.	Nature of Transaction	Value of Transaction
18	Sale / purchase of goods / services (earlier 5 L for bullion or jewellery dealer only)	> 2 Lacs per transaction

- ✘ Effective from 1st January 2016
- ✘ Concerned person to verify PAN & mention in all documents /invoice/applications
- ✘ If no PAN – take Form 60
- ✘ If Minor – PAN of Father/Mother/Guardian
- ✘ Not required for Telephone connection nw



PAN QUOTING – NOT REQUIRED

- × **CG / SG / Consular Offices**
- × **Non-Residents for all except:**
 - + **Application for Debit and Credit Card**
 - + **Payment to a hotel or restaurant against a bill**
 - + **Payment for foreign travel or foreign currency**
 - + **Payment to RBI for acquiring bonds**
 - + **Purchase of DD / PO / Bankers cheque**
 - + **Payment for prepaid instruments**
 - + **Sale/purchase of goods/services exceeding Rs. 2L**



FILING DETAIL OF FORM 60

- ✘ **Everyone not to file statement with department for PAN collection**
- ✘ **Only persons who does not take PAN, but take Form 60 have to file half yearly:**
 - + Received upto 30th September – 31st October
 - + Received upto 31st March – 30th April
- ✘ **Retain Form 60 for 6 years from end of the FY in which the transaction was undertaken. (earlier Form 60 were also to be filed)**



FORM 61 FILING

✘ To be filed by all verifiers except in case of:

S. No.	Nature of Transaction (Where verifier is required to get tax audit u/s 44AB)	Value of Transaction
5	Payment to Hotel / Restaurant at any one time	Cash > 50000/-
6	Payment for Foreign Travel or purchase of foreign currency at 1 time	Cash > 50000/-
18	Sale / purchase of goods / services	> 2 Lacs per transaction

IMPORTANT FEATURES OF FORM 60

- ✘ **Applicable to all except companies & firm**
- ✘ **If PAN is applied, then application no. to be filled**
- ✘ **If PAN not applied as income is below taxable limits – give estimate of total income**
- ✘ **If estimated total income exceeds taxable limits - Form 60 cannot be accepted unless PAN applied for acknowledgement no. is not mentioned.**



IMPORTANT FEATURES OF FORM 60

- ✘ Amount & mode of transaction also to be given
- ✘ Proof of Identity and address to be furnished along with Form 60
- ✘ In case transaction is by HUF, then proof of Karta
- ✘ In case transaction is by more than 1 persons, number of persons to be mentioned.
- ✘ Wrong verification prosecution u/s 277
 - + 3 months to 2 yrs & Fine;
 - + If amount > 25 Lacs – 6 months – 7 yrs & Fine



AIR

Consolidate data



**File Form 61A
by 31st May
every year**

STATEMENT OF FINANCIAL TRANSACTIONS (AIR) [1.4.2016]

S. No.	Nature & Value of Transaction	Reporting Person
1(a)	Cash for purchase of bank drafts / pay orders / banker's cheque of aggregate > Rs. 10 Lacs in a FY.	Banks
1(b)	Cash for purchase of pre-paid instruments by RBI aggregate > Rs. 10 Lacs in a FY. [E- 5L bonds all modes]	Banks
1(c)	Cash deposits / withdrawals (including bearer's cheque) aggregating > Rs. 50 Lacs in a FY from 1 or more current account of a person.	Banks

STATEMENT OF FINANCIAL TRANSACTIONS (AIR) [1.4.2016]

S. No	Nature & Value of Transaction	Reporting Person
2	Cash deposits agg. > Rs. 10 Lacs in a FY, in 1 or more a/cs (other than current a/c & time deposit) [E- saving A/c]	Banks P.O.
3	One or more time deposits (other than renewals) of a person aggregating > Rs. 10 Lacs in a FY of a person.	Banks P.O. ; Nidhi NBFC
4	Payments aggregating to- (i) > Rs. 1 Lac in cash ; or (ii) > Rs. 10 Lacs by any other mode, one or more credit cards in a FY [E - 2L]	Banks issuing Credit Cards

STATEMENT OF FINANCIAL TRANSACTIONS (AIR) [1.4.2016]

S. No.	Nature & Value of Transaction	Reporting Person
5	Receipt from a person aggregating > Rs. 10 Lacs in a FY for acquiring bonds or debentures issued by Co. or institution (other than renewals) [E- 5L]	Company Institution
6	Receipt from a person aggregating > Rs. 10 Lacs in a FY for acquiring shares (including share application money) issued by co. [E- Pub / Rght 1L]	Company
7	Buy back of shares from a person (other than bought in open market) for aggregating > Rs. 10 Lacs in a FY	Listed Co.

STATEMENT OF FINANCIAL TRANSACTIONS (AIR) [1.4.2016]

S. No.	Nature & Value of Transaction	Reporting Person
8	> Rs. 10 Lacs in a FY for acquiring units of 1 or more schemes of a MF (except switching) [E- 2L]	MF
9	Sale of foreign currency including through debit /credit card or traveller chq. or draft etc agg. > Rs. 10 L in a FY	Authorised Dealer
10	Purchase or sale of immovable property value > Rs. 30 L or valued u/s 50C	Registrar



STATEMENT OF FINANCIAL TRANSACTIONS (AIR) [1.4.2016]

S. No.	Nature & Value of Transaction	Reporting Person
11	Receipt of cash payment Rs. 2 Lacs for sale, by any person, of goods or services of any nature (other than above mentioned items).	If liable to Tax Audit

- ✘ Earlier 7 transactions now 13
- ✘ Report annually by 31st May
- ✘ Every reporting person to obtain a Regn. Number from PDGIT (Systems)



HOW TO DETERMINE THRESHOLD LIMITS

- ✘ **Take into account all the accounts of the same nature in respect of that person;**
- ✘ **Aggregate all the transactions of the same nature in respect of that person;**
- ✘ **Attribute entire value of transaction or the aggregated value of all transactions to all persons, in a case more than 1 person;**
- ✘ **Apply threshold limit separately to deposits & withdrawals in respect of Current a/c**



DESIGNATED DIRECTOR TO COMPLY

- ✘ **Managing Director or a whole-time Director, as defined in the Companies Act, 2013**
- ✘ **Managing partner if a partnership firm;**
- ✘ **Proprietor if proprietorship concern;**
- ✘ **Managing trustee if a trust;**
- ✘ **Person or individual, as case may be, who controls & manages affairs of reporting entity if reporting person is, unincorporated association or, a BOI or, any other person.**

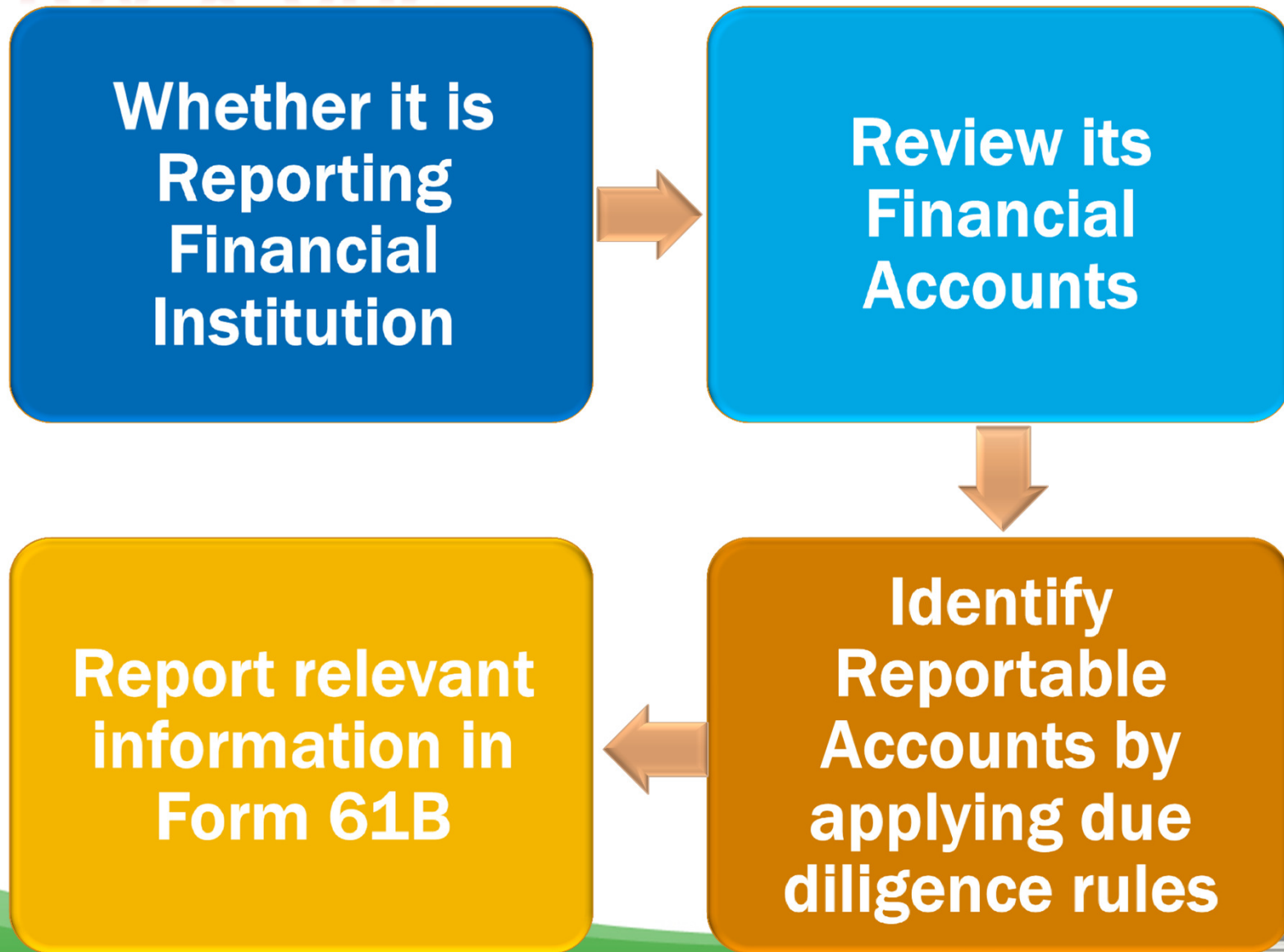


FATCA & CRS

- ✘ **FATCA – Foreign Account Tax Compliance Act – in India from 31.8.2015**
- ✘ **CRS – Common Reporting Standard – date for considering new A/c under CRS in India – 1.1.2016**
- ✘ **IGA between India & USA – 9th July 2015**
- ✘ **Section 285BA(k)**
- ✘ **Rules 114 F- 114H**
- ✘ **Form 61 B- to be filed by 31st May**



FATCA & CRS



REPORTING FINANCIAL INSTITUTIONS

- ✘ **Custodial Institutions**
- ✘ **Depository Institutions**
- ✘ **Investment Entities**
- ✘ **Specified Insurance Companies**



PENALTIES

- ✘ **Failure to furnish Form 61A (AIR)**
 - + **Rs. 100 per day**
 - + **In case notice issued u/s 285BA(5)**
 - **Rs. 500 per day after 30 days**
- ✘ **Inaccurate particulars in Form 61B - Rs. 50K**
- ✘ **Failure to comply with s. 139A - 10K**



THANK YOU!



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