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INCOME-TAX ACT, 2025

Chapter XXI: PENALTIES

Section 454 - Penalty for failure to furnish statement of financial transaction or reportable account after a notice. 1

Where any person, who is required to furnish a statement of financial transaction or reportable account under section 508(1), fails to furnish such statement or reportable account within the period specified in the notice issued under section 508(7), the income-tax authority prescribed under section 508(1) may impose on him, a penalty of ₹ 1000 for every day for which such failure continues, beginning from the day immediately after the period specified in such notice for furnishing such statement or reportable account expires and such penalty shall not exceed ₹ 100000. [1]

1.Substituted by The Finance Act, 2026 for

Penalty for failure to furnish statement of financial transaction or reportable account.

2.Substituted by The Finance Act, 2026 for

(1) If a person who is required to furnish a statement of financial transaction or reportable account under section 508(1), fails to furnish such statement within the time prescribed under sub-section (2) thereof, the income-tax authority prescribed under the said sub-section (1) may impose on him, a penalty of ₹500

for every day during which such failure continues.

(2) If the person referred to in sub-section (1), fails to furnish the statement within the period specified in the notice issued under section 508(7), he shall pay penalty of ₹1000 for every day during which the failure continues, beginning from the day immediately after the time specified in such notice for furnishing

the statement expires.

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