taxsutra All rights reserved

INCOME-TAX ACT, 2025

Chapter XXI: PENALTIES

Section 455 - Penalty for furnishing inaccurate statement of financial transaction or reportable account.

(1) The prescribed income-tax authority referred to in section 508 may direct that a person required to furnish a statement under sub-section (1) of the said section shall pay penalty of ₹50000, if such person—

(a) provides inaccurate information in the statement or fails to furnish correct information within the period specified under section 508(8); or

(b) fails to comply with the due diligence requirement under section 508(9).

(2) The prescribed income-tax authority referred to in section 508, shall direct that reporting financial institution referred to in section 508(1)(k) of the, shall, in addition to the penalty under sub-section (1) of this section, if any, pay a sum of ₹5000 for every inaccurate reportable account, if––

(a) the said institution provides inaccurate information in the statement required to be furnished under section 508(1); and

(b) the inaccuracy in the said statement is due to false or inaccurate information furnished by the holder or holders of the relevant reportable account or accounts.

(3) The reporting financial institution as referred to in sub-section (2) shall be entitled to––

(a) recover the amount paid under sub-section (2) on behalf of the reportable account holder; or

(b) retain an amount equal to the sum so paid out of any moneys that may be in its possession, or may come to it from every such account holder.

Downloaded by @weboapps.com at 29/11/26 06:25pm