

INCOME-TAX ACT, 2025

Chapter XXIII: MISCELLANEOUS

**Section 508 - Obligation to furnish statement of financial transaction or reportable account.**

(1) Any person, being—

(a) an assessee; or

(b) the prescribed person, in the case of an office of Government; or

(c) a local authority or other public body or association; or

(d) the Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908; or

(e) the registering authority empowered to register motor vehicles under Chapter IV of the Motor Vehicles Act, 1988; or

(f) the Director General as referred to in section 2(a) of the Post Office Act, 2023; or

(g) the Collector referred to in section 3(g) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013; or

(h) the recognised stock exchange referred to in section 2(f) of the Securities Contracts (Regulation) Act, 1956; or

(i) an officer of the Reserve Bank of India, constituted under section 3 of the Reserve Bank of India Act, 1934; or

(j) a depository referred to in section 2(1)(e) of the Depositories Act, 1996; or

(k) a prescribed reporting financial institution; or

(l) any other person, as may be prescribed,

who is responsible for registering, or, maintaining books of account or other document containing a record of any specified financial transaction or any reportable account, as may be prescribed, under any law in force, shall furnish a statement regarding such specified financial transaction or such reportable account, which is registered or recorded or maintained by him and information relating to which is relevant and required for this Act, to the income-tax authority or such other authority or agency, as may be prescribed.

(2) The statement referred to in sub-section (1) shall be furnished for such period, within such time and in the form and manner, as may be prescribed.

(3) In sub-section (1), “specified financial transaction” means any transaction—

(a) of purchase, sale or exchange of goods or property or right or interest in a property; or

(b) for rendering any service; or

(c) under a works contract; or

(d) by way of an investment made or an expenditure incurred; or

(e) for taking or accepting any loan or deposit,

as may be prescribed.

(4) The Board may prescribe different values for different transactions specified in sub-section (3) for different persons having regard to the nature of such transaction.

(5) If the prescribed income-tax authority finds a defect in the statement furnished under sub-section (1), he may intimate the defect to the person furnishing such statement, to rectify the defect within thirty days from the date of such intimation, and at his discretion, extend the said period upon an application made for this purpose.

(6) If the defect mentioned in sub-section (5) remains unrectified within the initial period of thirty days or extended period as applicable, then, the provisions of this Act shall apply as if such person had furnished inaccurate information in the statement, irrespective of anything contained in any other provision of this Act.

(7) If a person required to furnish a statement under sub-section (1) fails to do so within the specified time, the prescribed income-tax authority may serve upon such person a notice requiring him to furnish such statement, within a period not exceeding thirty days from the date of service of such notice, and he shall furnish the statement within the time specified therein.

(8) If a person, having furnished a statement under sub-section (1), or in pursuance of a notice issued under sub-section (7), becomes aware of any inaccuracy in the information provided, he shall within ten days, inform the prescribed income-tax authority or other authority or agency referred to in sub-section (1), of the inaccuracy and furnish the correct information in such manner, as may be prescribed.

(9) The Central Government may, specify by rules,—

(a) the persons referred to in sub-section (1) to be registered with the prescribed income-tax authority;

(b) the nature of information and the manner in which such information shall be maintained by the persons referred to in clause (a); and

(c) the due diligence to be carried out by the persons for the identification of any reportable account referred to in sub-section (1).