# Mandatory Requirement of Quoting of PAN

The Government is committed to curbing the circulation of black money and widening of tax

base. Where the transactions exceeds the specified limit the income tax rules required

quoting of Permanent Account Number (PAN) to collect information of certain type of transactions from third parties in a non-instructive manner.

To bring a poise between of compliance on legitimate transactions and the need to capture

information relating to transactions of higher value, the Government has also enhanced the monetary limits of certain transactions which require quoting of PAN.

There are certain changes in rules which has been came into effect from 1st January 2016.

Following are some transactions against which the new limits of Rule 114B are precise, if these limits exceeds then obligation to furnish PAN is mandatory:-

**Immovable Property :-**

i. If amount of sale/Purchase exceeding Rs.10Lakh; or

ii. Properties valued by Stamp Valuation authority at amount exceeding Rs.10 lakh will also need PAN.

**Motor Vehicle** (Other than 2 All sales and purchases.wheeler):-

**Time Deposits:-**

i. Deposits with Co-op banks, Post Office, Nidhi, NBFC companies will also need PAN; or

ii. Deposits aggregating to more than Rs.5 lakhs during the year will also need PAN.

**Sale or Purchase of securities :-**

Contract for sale/Purchase of value exceeding Rs.1 Lakh.

**Opening an account (other than time deposit) with a banking company :-**

i. Basic Savings Bank Deposit Account excluded (no PAN requirement for opening these accounts);or

ii. Co-operative banks also to comply.

**Hotel/restaurant bill(s) :-**

Cash payment exceeding Rs.50,000/-

**Cash purchase of bank drafts/ pay orders/ banker's cheques:-**

Exceeding Rs.50,000/- on any one day.

**Cash deposit with banking company:-**

Cash deposit exceeding Rs.50,000/- in a day

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**Foreign travel:-**

Cash payment in connection with foreign travel or purchase of foreign currency of an amount exceeding Rs.50,000/- at any one time (including fare, payment to travel agent).

**Credit Card :-**

Application to banking company/ any other company/institution for credit card.

**Mutual fund units:-**

Payment exceeding Rs.50,000/- for purchase.

**Shares of company:-**

Opening a demat account.

Purchase or sale of shares of an unlisted company for an amount exceeding Rs.1 lakh per transaction.

**Debentures/ bonds:-**

Payment exceeding Rs.50,000.

**RBI bonds:-**

Payment exceeding Rs.50,000.

**Life insurance premium:-**

Payment exceeding Rs.50000.

**Purchase of jewellery/bullion:-**

Merged with sales or purchases of goods and services.

**Purchases or sales of goods or services:-**

Purchase/ sale of any goods or services exceeding Rs.2 lakhs per transaction.

**Cash cards/ prepaid instruments issued under Payment & Settlement Act:-**

Cash payment aggregating to more than Rs.50,000 in a year.

***Important Note:-***

Person who do not hold PAN are required to fill a form and furnish any specified documents to establish their identity.

**Source courtesy:caclubindia**