

Annexure A

Guidelines for Preparation of Statement of Financial Transactions (SFT)

The guidelines for preparation of Statement of Financial Transactions (SFT) for Mutual Fund transactions are as under:

1. The Mutual Fund transaction summary file will be used for pre-filling the gain/income/loss from Mutual Fund transactions.
2. The Mutual Fund Transaction Summary is required to be prepared for user-initiated debit transactions during the reporting period. For debits through transfers, information need not be provided if transferor and transferee are same person.
3. In case of a minor, details of legal or natural guardian (PAN, Name etc.) may be provided.
4. Data with respect to exchange traded funds and exchange-based transactions, may not be provided.
5. The Estimated Sale Consideration for the debit transaction should be determined on the best possible available price of the asset with the RTA. In case the sale consideration related to a sale/transfer is not available, Redemption Offer Price (Exit Load adjusted NAV) on the date of sale/transfer may be taken. The taxpayer will be able to modify the sales consideration before filing the return.
6. The securities should be classified into specified security class for determining the type of asset (short term/long term) and applicable rate.
7. The period of holding (difference between date of sale and date of acquisition of any security) should be used to classify the asset as short term or long-term asset. First in First out (FIFO) method should be used for identification of corresponding purchases and computation of period of holding. Any capital asset held by the taxpayer for a period of more than minimum period of holding will be treated as long-term capital asset and remaining assets will be classified as short-term asset. The specified minimum period of holding for different asset class is as under:

Security Class Code	Security Class Description	Minimum Period of Holding	Remarks
EMF	Unit of Equity Oriented Mutual Fund	12 months	-
UTI	Unit of UTI	12 months	Only if it is not Specified Mutual Fund as per section 76 of Income-tax Act, 2025. If it is Specified Mutual Fund, the

Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Mutual Fund Transactions by Registrar and Share Transfer Agent

			asset will always be short-term capital asset.
OTU	Other Units	12 months if listed/ 24 months if unlisted	Only if it is not Specified Mutual Fund as per section 76 of Income-tax Act, 2025. If it is Specified Mutual Fund, the asset will always be short-term capital asset.

The term "listed" above refers to being listed on any recognised stock exchange in India.

8. For every debit transaction, the corresponding credit should be identified using First in First Out (FIFO) method. The estimated cost of acquisition for the credit should be determined on the best possible available price with the RTA. In case the cost of acquisition related to a credit/transfer is not available, NAV for the end of the day of the credit may be taken. The taxpayer will be able to modify the cost of acquisition before filing the return.
9. In relation to a long-term capital asset, being a unit of an equity-oriented fund or a unit of a business trust referred to in section 198, acquired before the 1st day of February, 2018, cost of acquisition shall be, subject to sub-section 9(a) and (b) of section 90 of Income-tax Act, 2025, higher of (i) the cost of acquisition of such asset; and (ii) lower of (A) the fair market value of such asset as on 31st January, 2018; and (B) the full value of consideration received or accruing as a result of the transfer of the capital asset.
10. The Cost Inflation Index should be used to determine estimated indexed cost of acquisition wherever applicable.
11. The details of clients and summary values for the transactions for the reporting period should be reported in MF Account Summary (MF_ACC_SUMM.TXT)
12. The details of transactions effected through transmission and recorded by the RTA during the year along with off-market transactions recorded in the RTA system should be reported in Mutual Funds Off-Market Transactions (MF_OFF_TRN.TXT)