



Foreign Assets of Small Taxpayers Disclosure Scheme, 2026

October 2026



Foreign Assets of Small Taxpayers Disclosure Scheme, 2026 (FAST-DS)

- The Government has announced FAST-DS 2026, a one-time disclosure scheme under Sections 130-144 of the Finance Act, 2026, effective 16 August 2026.
- The scheme is likely to impact internationally mobile employees, expatriates, Indians returning back from their overseas assignments etc.
- The scheme is Applicable for the period 16 August 2026 to 31 December 2026.
- The intention of this scheme is to primarily regularise the past compliances of the following:
 - Undisclosed assets located outside India - Foreign asset held with an unexplained or unsatisfactory (in the view of AO) source of income
 - Undisclosed foreign income - Income from a source outside India that was chargeable to tax in India, but not offered to tax.
 - Undeclared assets located outside India - Foreign asset which was already offered to tax in India or was acquired when the assessee was a non-resident but not declared in Schedule FA.
- Objective of the Scheme is to enable disclosure of previously omitted foreign assets and income, with protection under the Black Money Act, 2015 and the Income-tax Act, 1961.

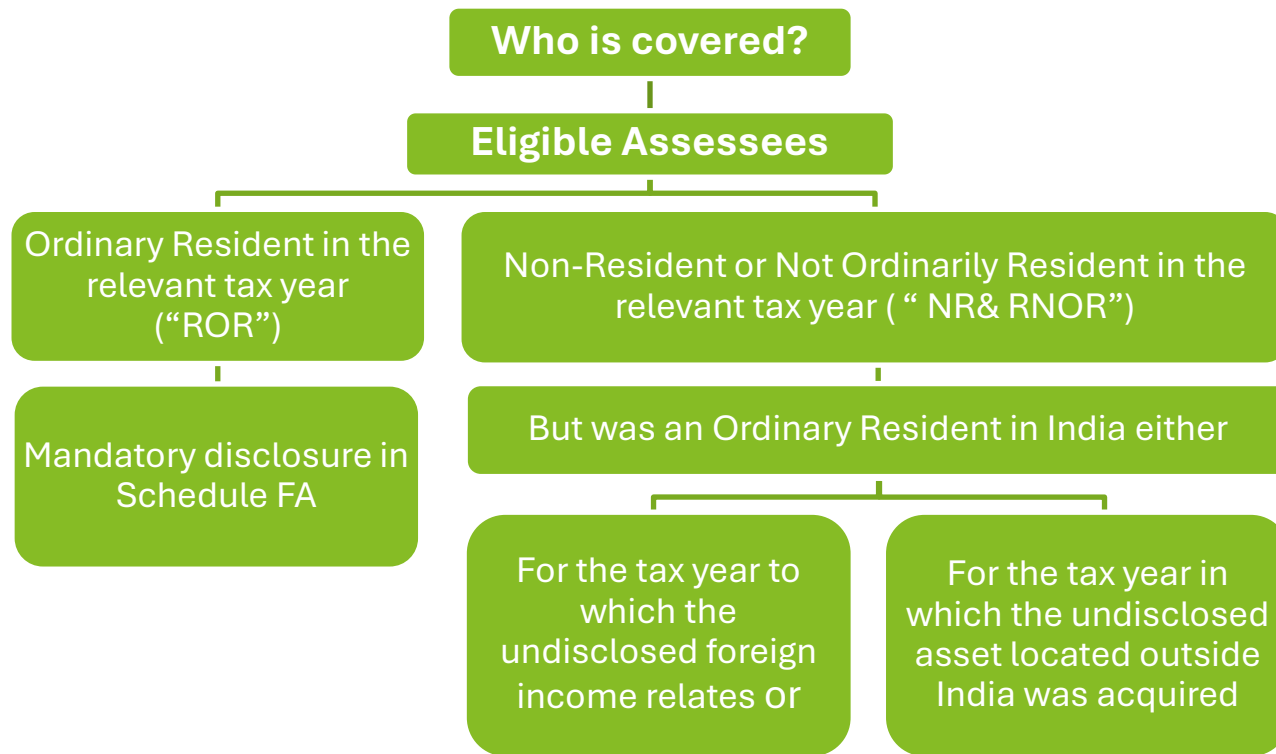
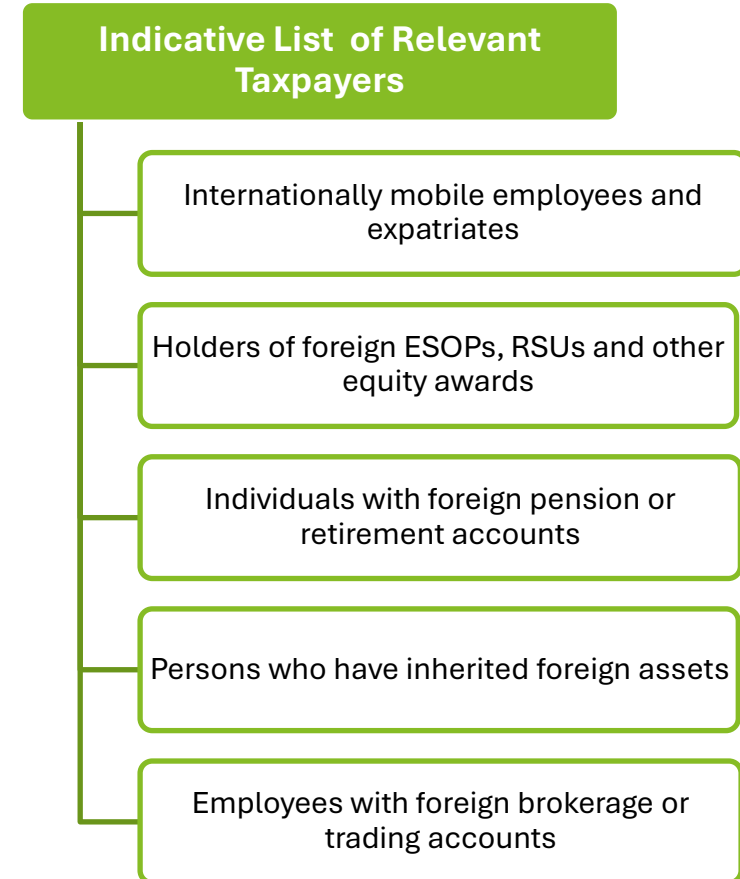
What makes FAST-DS highly relevant?

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- Enhanced global information exchange is increasing visibility of foreign assets and income.
- Data exchanged under Automatic Exchange of Information (AEOI) data reflected in AIS has significantly increased tax authorities' visibility over foreign assets and income.
- Tax authorities are actively monitoring foreign asset disclosures and issuing compliance communications.
- The Income-tax Department has initiated mail communications to employers to promote awareness and uptake of FAST-DS among eligible taxpayers.
- Non-compliance may lead to severe implications under the Black Money Act, 2015 and Income Tax Act, 1961
- Aligned with the Government's objective of reducing tax litigation

Eligibility and grounds of Declaration

Who to declare?



Who cannot opt for the scheme?

Exclusions

FAST-DS, 2026 is not intended to apply to all cases of foreign assets and incomes. Key exclusions include:

1

Any income or asset which directly or indirectly represents proceeds of crime in respect of which proceedings have been initiated, or are pending, under the Prevention of Money-laundering Act, 2002

2

Any income or asset relating to an assessment year for which assessment proceedings have already been completed under the Black Money Act, 2015.

3

Aggregate value of undisclosed assets located outside India (as on 31 March 2026) and undisclosed foreign income exceeds INR 10 Million.

4

Aggregate value of undisclosed assets located outside India exceeds INR 50 Million.

What to declare?

(Categories of Declaration)

Undisclosed foreign asset	An asset (including a financial interest in any entity) located outside India, held by the assessee where he has no explanation about the source of investment, or the explanation given is unsatisfactory, in the opinion of the Assessing Officer.
Undisclosed foreign income	The total amount of income of an assessee from a source located outside India, which was chargeable to tax in India, but which has not been offered to tax.
Undeclared foreign asset	Asset located outside India acquired from income arising outside India, during the period in which such assessee was a non-resident, but such assets were not declared by him in the relevant Schedule in the return of income on becoming a resident; or Asset located outside India acquired from income which has been offered to tax under the Income-tax Act by the assessee, but such assets were not declared by him in the relevant Schedule in the return of income.

S.No.	Type of Assets	Amount Payable	Conditions
1.	Undisclosed foreign asset and foreign income	60% of the following: (a) Value of the undisclosed foreign asset as on the 31 March 2026 and (b) Undisclosed foreign income	The aggregate value does not exceed INR 10 million
2.	Undeclared foreign asset	A fee of INR 0.1 million	The value of the asset does not exceed INR 50 million

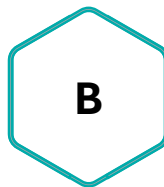
Poll question



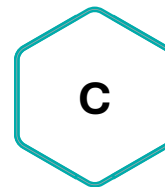
Has your organisation taken any steps to spread awareness among employees regarding the Foreign Assets of Small Taxpayers Disclosure Scheme, 2026 (FAST-DS, 2026)



Yes, awareness initiatives have already been undertaken



No, we have not undertaken such specific initiatives



We are currently planning awareness initiatives

Valuation Method

Broad principles of valuation under FAST-DS

Fair Market Value (FMV) based approach

As a general rule, FMV is the higher of

- the cost of acquisition, and
- the price the asset would ordinarily fetch if sold in the open market on the valuation date, ideally supported by a report from a valuer recognised by the government (or its agency) of the country where the asset is located.

Where such market valuation is not carried out, the indexed cost of acquisition is deemed to be the fair market value

The general valuation methodology applies to the following foreign assets:

- Bullion, jewellery or precious stone
- Artistic Work- Archaeological collections, Drawings, Paintings, Sculptures and any other work of art
- Unquoted shares and securities other than equity shares in a company.
- Immovable Property

Asset-Specific Valuation Methodologies for Foreign Assets

Type of Assets	Value of methodologies
Unquoted Equity Shares	Higher of: <ul style="list-style-type: none">• Cost of acquisition; or• Value of the equity shares as on 31 March 2026 determined using the prescribed net asset value methodology
Quoted Equity shares	Higher of: <ul style="list-style-type: none">• Cost of acquisition; or• Average of the highest and lowest quoted price on an established securities market as on 31 March 2026 (or the immediately preceding trading day)
Interest in Firm / AOP / LLP	Value based on the proportionate share in the net assets of the entity as on 31 March 2026
Bank Account	Aggregate deposits from the date of opening up to 31 March 2026, subject to prescribed adjustments

Broad principles of valuation under FAST-DS

Valuation method

Other Important Valuation Points



Assets transferred for consideration on or before 31 March 2026

Any assets (other than a bank account) transferred on or before the 31 March 2026,

The FMV is the higher of:

- Cost of acquisition; or
- Sale price



Assets transferred without / inadequate consideration on or before 31 March 2026

Any assets (other than a bank account) transferred on or before the 31 March 2026,

The FMV is the higher of:

- Cost of acquisition; or
- FMV on the date of transfer.



Reinvestment in New Assets

Where a new asset is acquired using proceeds from the sale of an existing asset or withdrawal from a bank account, the value of the original asset/bank account is reduced by the amount reinvested.



20% Safe Harbour for Valuation

The declaration filed by the taxpayer under the FAST-DS will not become invalid merely because the tax authorities subsequently determine a different FMV, provided the variation does not exceed 20% of the FMV declared.

Foreign Currency conversion for asset valuation under FAST DS

Valuation method



RBI Permitted Foreign Currency

Convert the asset value into INR using the RBI Reference Exchange Rate as on 31 March 2026



Non-Permitted Foreign Currency

Step 1: Convert the asset value into USD using the exchange rate prescribed by the Central Bank of the country/jurisdiction where the asset is located.

Step 2: Convert the USD value into INR using the RBI Reference Exchange Rate as on 31 March 2026.



If no Central Bank USD Rate is Available

Use the USD conversion rate specified by any regulated bank in that country/jurisdiction.

Illustration:

Valuation method

Facts:
Mr. A, while residing in USA, entered into the following transactions

Amount - INR in Million		
Year	Transaction	Amount
2018	Purchased property A	4.0
2022	Sold Property A	6.0
2022	Deposited sale proceeds into foreign bank account (BA)	6.0
2023	Invested in foreign listed shares (Share B) using funds from BA	5.0
31 March 2026	Value of BA	7.5
31 March 2026	FMV of Share B	5.5

- **FY 2024-25:** Qualified as a Resident and Ordinarily Resident in India; however, the foreign assets remained undisclosed in the income tax return.
- **FY 2025-26 & FY 2026-27:** Continued to hold the foreign assets while qualifying as a Non-Resident.

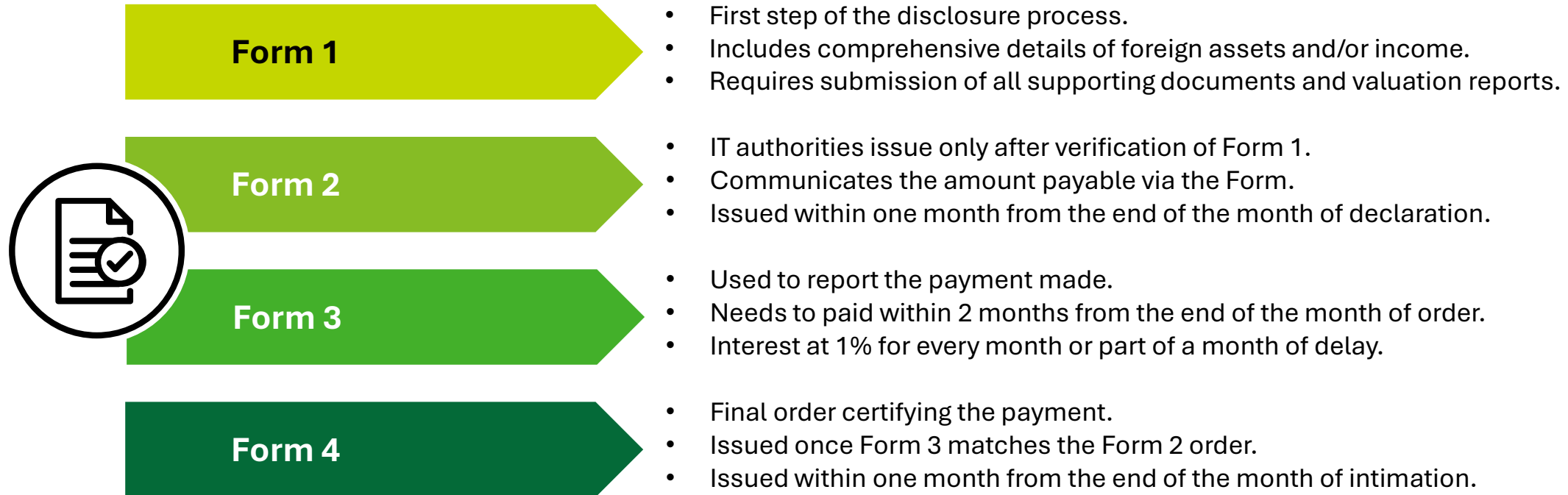
Valuation as on 31 March 2026

Amount - INR in Million		
Asset	Computation	FMV
Property A	Higher of: Cost (INR 4 million) or sale price (INR 6 million) Less: INR 6 million deposited into BA	Nil
Bank Account (BA)	Value of BA (INR 7.5 million) Less: INR 5 million invested in Share B	2.5
Share B	Higher of Cost (INR 5 million) or FMV (INR 5.5 million)	5.5
Total value considered		8.0

Procedure of Declaration

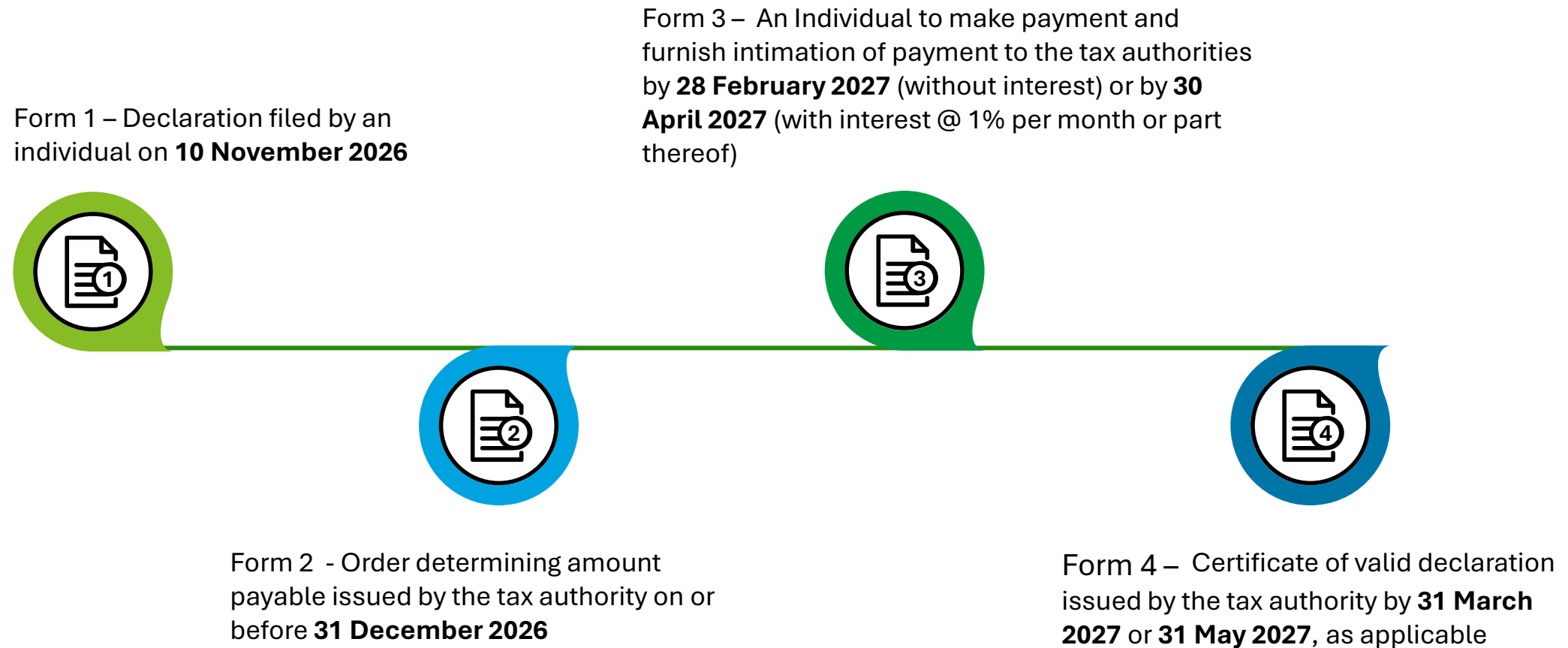
The 4 Forms to be filed

Procedure of declaration



The 4 Forms to be filed

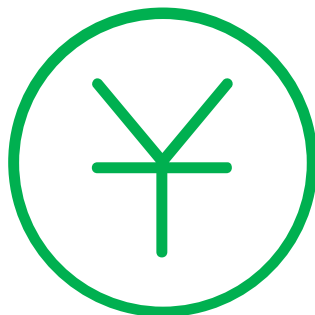
Procedure of declaration



Consequences of non-compliance

Consequences of not evaluating the scheme

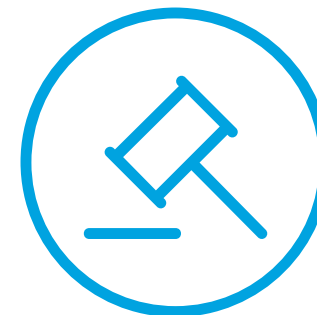
KEY CONSIDERATIONS



Missing a time-bound opportunity to regularize eligible foreign assets and income before the Scheme closes on **31 December 2026**.



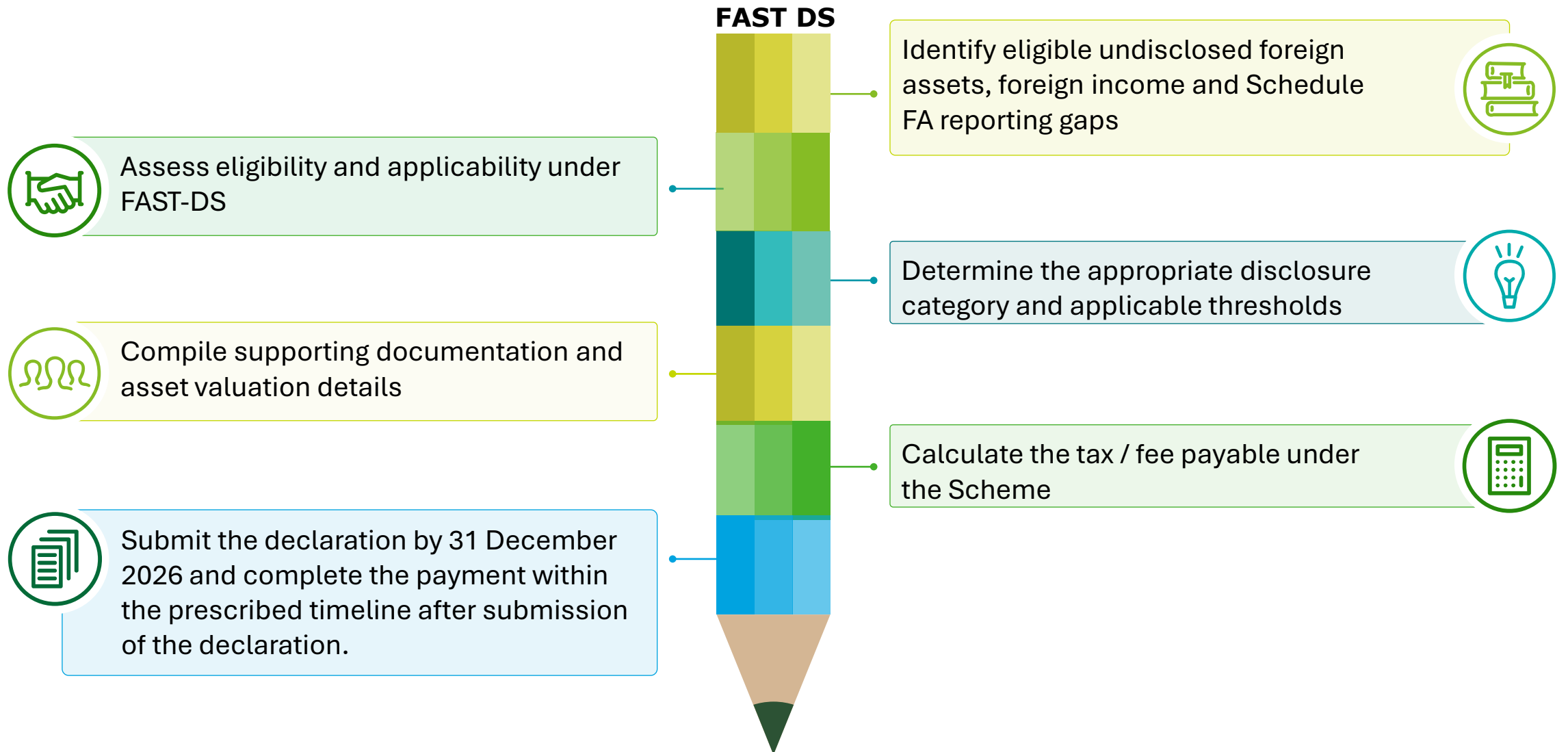
Increased exposure arising from enhanced visibility of foreign assets and income through AIS and international information exchange mechanisms.



Continued risk of proceedings under the applicable provisions of the Black Money Act in relation to unreported foreign assets and income.

What are the next steps?

What are the next steps?



Questions

Thank you!

Kindly spare a minute to help us with your valuable feedback for today's session...

For any queries, please feel free to write to us at intax@deloitte.com



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