Income Tax Department

Central Board of Direct Taxes

Foreign Assets of Small Taxpayers Disclosure Scheme, 2026





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Black Money Act, 2015

The Black Money Act, 2015 (BMA, from henceforth) provides for the taxation on foreign assets and income that has not been offered for tax by residents. It also mandates disclosure of all foreign assets in the ITR by Residents. The important provisions, *inter alia*, are:

- **Income and Assets not offered for tax:** Tax @ 30% and Penalty @ 90% of the income or the present-day Fair Market Value of assets (FMV).
- **Non-disclosure of assets in ITR:** Penalty of Rs. 10,00,000 for non-disclosure even if the assets were acquired from taxed income or purchased when taxpayer was non-resident.

About FAST-Disclosure Scheme

Foreign Asset of Small Taxpayers-Disclosure Scheme (FAST-DS) enables eligible taxpayers (eg. tech professionals, students, returning NRIs) to declare following categories of assets and thereby avoid penalty under the Black Money Act, 2015.

Category of Assets	Limit for eligibility	Payment
❖ Income that was not offered to tax ❖ Foreign asset acquired from un-taxed money	Total value – Rs. 1 Crore	60% of value of income and the FMV of assets
Assets not declared in ITR but purchased with post-tax money or when taxpayer was non-resident	Total value – Rs. 5 Crores	Rs. 1 lakh flat fee

Not eligible for those where proceedings are completed under BMA or initiated or pending under PMLA.

Salient Features of FAST-DS

- The payment may be made within 2 months of declaration under the scheme (Can be paid in additional 2 months with interest).
- Entire process will be done electronically – faceless manner.
- Full immunity from assessment under the BMA and IT Act; penalty and prosecution under the BMA.

Benefit - One time Window

- The taxpayers who could not declare their old foreign assets (Eg: Bank accounts of students who studied overseas, tech professionals with ESOPs of foreign companies, assets of NRIs who have returned but forgot to disclose in ITR) now get a one-time window to declare their assets and get full immunity from penalty and prosecution.
- The entire process is electronic and there is no need to visit the tax office.

Important Points

The main features are:

- Time for application -Aug 16th to Dec 31st.
- Manner of computation and valuation of undisclosed foreign income and assets has been provided in the FAST-DS Rules, 2026.
- Option for "indexed cost" to be treated as FMV in case valuation of a foreign asset by valuer is not carried out.
- Form 2 and Form 4 are issued electronically - through DG (Systems)



Timeline

The timeline is as follows:

Stage	Timeline
Scheme proposed to start	16th August, 2026
Last date for application (Form 1)	31st December, 2026
Order determining amount payable (Form 2)	Within one month from the end of the month in which Form 1 was filed
Payment of amount determined (Form 3 — intimation of payment)	Within two months from the end of the month in which the Form 2 order was received
Payment with interest, if delayed (Form 3 — intimation of payment)	Further two months from expiry of the above period, along with simple interest @1% for every month or part of a month of delay
Order certifying payment (Form 4)	Within one month from the end of the month in which the Form 3 intimation was received

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