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

Prelims: *Current events of national and international relations | Economy*

Why in news?

The Central Board of Direct Taxes (CBDT) recently notified the FAST-DS to help small taxpayers voluntarily disclose certain undisclosed foreign assets.

- **Effective from** – 16 August 2026.
- **Declaration window** – Up to 31 December 2026.
- **Announced in** – Union Budget 2026–27.
- The rules aimed particularly at small taxpayers, including:
    - Students
    - Young professionals
    - Technology employees
    - Relocated NRIs
- **Key features** – The taxpayers will pay a 30% tax on the value of the declared undisclosed foreign asset or income.
    - plus an additional amount equal to the tax, effectively taking the levy to 60%.
- The fair market value of the assets will be determined as of March 31, 2026.
- **Example**
    - Foreign bank account – ₹60 lakh
    - Undisclosed foreign income – ₹20 lakh
    - Total value – ₹80 lakh
    - Tax payable at 60% = ₹48 lakh

2 categories of declarations under FAST-DS –

- For an *undisclosed foreign asset or foreign income that was not previously offered to tax*, the aggregate value must not exceed ₹1 crore.
- A second category covers *foreign assets that were already offered to tax or acquired* when the taxpayer was a non-resident but were not reported in tax-return schedule.
    - The threshold for such declarations is ₹5 crore, with a ₹1 lakh fee payable.
- **Benefits –**
    - Valid declarations provide immunity from further tax, penalties and prosecution under the Black Money Act, 2015.
    - Declared income or investment in the disclosed asset will not be included again in total income under the Income-tax Act or Black Money Act.

Reference

The Hindu| FAST-DS Rules, 2026