

TAX TALKS

FOREIGN ASSETS DISCLOSURE SCHEME (FAST-DS), 2026

The Union Budget 2026 has introduced the Foreign Assets of Small Taxpayer Disclosure Scheme (FAST-DS), 2026, a taxpayer-friendly initiative to help individuals voluntarily disclose previously unreported foreign assets.

What's the objective?

The scheme aims to provide an opportunity for small taxpayers to correct past non-disclosures of foreign assets due to oversight, ignorance, or technical errors, with reduced penalties and immunity from prosecution under the Black Money Act.

Who can benefit?

The scheme is especially relevant for:

- Small taxpayers with low-value foreign assets
- Individuals with ESOPs/RSUs from foreign employers
- Former NRIs, students, or professionals with foreign bank accounts
- Returning NRIs with undisclosed overseas assets
- Taxpayers who missed reporting assets in Schedule FA

Key features of the scheme:

- Provides a limited window for voluntary disclosure
- Offers reduced tax and penalty compared to standard provisions
- Grants immunity from prosecution upon compliance
- Differentiates between major non-disclosure and technical errors

Two categories under FAST-DS:

I) **Category A – Non-disclosure of asset/income**

- Applicable where both asset and income were not disclosed
- Tax + additional charge totals ~60% of value/income
- Immunity from prosecution available

II) **Category B – Technical non-disclosure**

- Income disclosed and taxed, but asset not reported in Schedule FA
- One-time fee of ₹1 lakh
- Immunity from penalty and prosecution

What should you do?

No immediate action is required unless you have undisclosed foreign assets. Eligible taxpayers should evaluate the scheme and consider voluntary disclosure within the prescribed window.

We are monitoring developments and can assist in evaluating eligibility and compliance under FAST-DS.