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

The **Foreign Assets of Small Taxpayers Disclosure Scheme, 2026 (FAST-DS 2026)** is a one-time voluntary disclosure scheme introduced under the **Finance Act, 2026** to allow eligible taxpayers to regularize previously undisclosed foreign assets or foreign income and obtain immunity from prosecution and penalties under the Black Money Act, subject to specified conditions.

### Key Features

- **Effective Date:** 16 August 2026
- **Last Date for Declaration:** 31 December 2026
- **Declaration Mode:** Electronic filing through the Income Tax portal using **Form 1**
- **Valuation Date:** 31 March 2026

### Who Can Use the Scheme?

The scheme is intended for:

- Individuals who failed to disclose foreign assets or foreign income in earlier tax returns.
- Persons with overseas bank accounts, shares, ESOPs/RSUs, foreign properties, insurance policies, or other foreign investments that were not reported in Schedule FA.
- Certain NRIs, RNORs, returning residents, students, and professionals meeting the eligibility conditions.

### Two Categories of Disclosure

#### 1. Undisclosed Foreign Income / Assets

- Applicable where foreign income or assets were neither reported nor taxed in India.
- Maximum eligible value: **₹1 crore**.
- Amount payable: **30% tax plus 100% of such tax**, resulting in an effective burden of **60%**.

#### 2. Reporting Lapses (Schedule FA Omissions)

- Applicable where the asset was acquired from income already taxed in India or from income earned during a period of non-residency, but was not reported in Schedule FA.
- Maximum eligible value: **₹5 crore**.
- Amount payable: **Flat fee of ₹1 lakh**.

**Benefits**

- Immunity from further tax, penalty, and prosecution under the **Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015** for valid declarations.
- Opportunity to rectify genuine compliance lapses without undergoing lengthy litigation.

**Important Examples of Foreign Assets Covered**

- Foreign bank accounts
- Foreign shares and securities
- ESOPs / RSUs of foreign companies
- Foreign real estate
- Foreign insurance or annuity contracts
- Other investments and financial interests outside India

**Relevance for Tax Professionals**

For firms advising clients on international taxation and compliance, FAST-DS 2026 provides a structured mechanism to help clients:

- Review Schedule FA disclosures.
- Identify foreign asset reporting gaps.
- Assess eligibility under Category 1 or Category 2.
- Compute valuation and applicable tax/fee.
- Obtain immunity before the scheme closes on **31 December 2026**