GOVERNMENT OF INDIA · CENTRAL BOARD OF DIRECT TAXES

FAST-DS.

Foreign Assets of Small Taxpayers Disclosure Scheme, 2026

Chapter IV, sections 130 to 144 of the **Finance Act, 2026**, read with the **FAST-DS Rules, 2026** — notified vide G.S.R. 732(E) dated 14 August 2026.

Technical briefing for practising professionals | 12 slides

WINDOW CLOSES

31 Dec

2026

In force 16 August 2026

A · ABOUT THE SCHEME

The scheme at a glance

A **one-time voluntary disclosure** window for undisclosed foreign assets and income of small taxpayers, on payment of a specified tax or fee.

COMES INTO FORCE	LAST DATE TO FILE	VALUATION DATE	MODE
16 Aug 2026	31 Dec 2026	31 Mar 2026	Fully online

ADMINISTERING AUTHORITY

Principal DGIT (Systems) / DGIT (Systems) — Rule 2(3). The entire declaration, order, payment and certification cycle is electronic.

FILING WINDOW

A declaration may be filed on or after commencement and on or before the last date — a **138-day window** in Form 1.

Declaration may relate to any previous year — provided the item falls within the Table in section 133 and satisfies the monetary thresholds and other conditions of the scheme.

Source: FAST-DS FAQs Q1–Q5, Q10–Q11 · FAST-DS Rules, 2026 r.1, r.2 [G.S.R. 732(E)]

Eligible assessee & the trigger

RESIDENCY TEST — ANY ONE LIMB SUFFICES

Resident in India

in the relevant previous year — s.6, Income-tax Act, 1961

i

Non-resident or RNOR now —

s.6(6), Income-tax Act, 1961 — but was resident in India either:

ii

A in the previous year to which the undisclosed foreign income under s.4 of the Black Money Act, 2015 relates; or
B in the previous year in which the undisclosed asset located outside India was acquired.

GROUNDS FOR A DECLARATION — FAQ Q9

a Failed to furnish a return under **s.139** of the Income-tax Act, 1961

b Failed to disclose the asset or income in a return furnished **before commencement** of the scheme

c Such asset or income has **escaped assessment** within the meaning of s.147

Practice note: a person who is *presently* a non-resident remains eligible (FAQ Q7). The declarant states residential status for the year of acquisition of the asset or earning of the income in **Form 1 — Part B, item A(iii):** Resident / Non-resident / RNOR.

Source: FAST-DS FAQs Q6–Q11 · Form 1, Part B [G.S.R. 732(E)]

Two categories, two ceilings

SL. NO. 1 · NEVER OFFERED TO TAX

a **Undisclosed asset located outside India** — incl. a financial interest in any entity, held in own name or as beneficial owner, where the source of investment is unexplained or the explanation is, in the AO's opinion, unsatisfactory.

b **Undisclosed foreign income** — income from a source outside India, chargeable to tax in India, not offered to tax.

AGGREGATE VALUE MUST NOT EXCEED

₹1 crore

Asset valued as on 31.03.2026 + undisclosed foreign income, taken together

SL. NO. 2 · TAXED BUT NOT REPORTED IN FA

a Asset outside India acquired from income accruing outside India **while the assessee was a non-resident**, not declared in the relevant Schedule on becoming resident.

b Asset outside India acquired from income **already offered to tax** under the Income-tax Act, 1961, but not declared in the relevant Schedule of the return.

AGGREGATE VALUE MUST NOT EXCEED

₹5 crore

A disclosure default, not a tax default — hence a fee, not tax

Hard ceiling: breach the applicable threshold and the assessee is simply *not eligible* — there is no proportionate or partial relief (FAQ Q20; Rules, r.4 Illustration 3).

Source: FAST-DS FAQs Q12–Q16, Q20 · s.133 Table · Rules r.5(1)

D · AMOUNT PAYABLE

What it costs to come clean

SL. NO. 1 — THE 30 + 30 BUILD-UP

30%	+	100%	=	60%
Tax on value of undisclosed asset / foreign income		Penalty — an amount equal to the tax in (i)		Effective outgo on the declared value — Form 1, item 5

Tax is computed separately on **each** component — asset value and income — and the penalty mirrors the aggregate tax. Form 1 asks for this as *60% of item 4(iii)*.

SL. NO. 2 — FLAT FEE ROUTE

₹1 lakh

A flat fee — **no tax, no penalty** — provided the aggregate value of the assets located outside India does not exceed ₹5 crore.

Form 1, item 6 records this as *Nil or ₹1 lakh*; item 7 aggregates both routes into the total amount payable.

Q20 answered: assets aggregating ₹6.5 crore attract neither the fee nor a scaled charge — exceeding ₹5 crore takes the assessee outside the Table in section 133 altogether, so no declaration can be made.

Source: FAST-DS FAQs Q17–Q20 · Rules r.4 · Form 1, Part D items 5–7

One master rule, six carve-outs

THE GENERAL RULE

FMV = **higher of** cost of acquisition | open-market price on 31.03.2026

FALLBACK WHERE NO VALUATION IS DONE

Indexed cost of acquisition is deemed to be the FMV — s.48 meaning

R.3(1)(A) & (B)

Bullion, jewellery, precious stones · artistic work

General rule, supported by a report from a valuer recognised by the foreign government or its agency.

R.3(1)(C)(I)

Quoted shares & securities

Higher of cost and the **average of lowest & highest** quoted price on the valuation date; if no trading, the nearest preceding trading date.

R.3(1)(C)(II)

Unquoted equity shares

$(A + B - L) \times PV \div PE$

A book value of other assets · B FMV of bullion, art, securities, property · L liabilities excl. capital & reserves

R.3(1)(C)(III) & (D)

Other unquoted securities · immovable property

General rule; for property, the valuer must be recognised in the country where it is located.

R.3(1)(F)

Interest in firm / AOP / LLP

Net assets (A + B − L) on the valuation date → capital portion in capital-contribution ratio → residue per the dissolution agreement, else profit-sharing ratio.

R.3(1)(G) & R.3(2)

Residuary assets · assets already sold

Residuary: cost or amount invested vs arm's-length market price. Sold before 31.03.2026: higher of cost and **sale price**.

Currency — r.3(4)/(5): report in ₹. An RBI-designated currency converts at the RBI reference rate on 31.03.2026. Otherwise, convert to USD at the local central bank's rate (or another regulated bank there), then USD to ₹ at the RBI reference rate.

Safe harbour — r.5(2): for assets other than a bank account, a variance up to **20%** from the AO's value will not, by itself, void the declaration.

Source: FAST-DS FAQs Q21–Q28, Q32–Q36 · FAST-DS Rules, 2026 r.3, r.5(2)

ILLUSTRATION · R.3(1)(E) & FAQS Q29–Q31

Bank account = sum of deposits

Value = all deposits from the date the account was opened to 31.03.2026 — **not** the closing balance. Two carve-outs prevent double counting: re-deposits of earlier withdrawals, and deposits predating an earlier Black Money Act declaration.

ILLN. 1 — ACCOUNT OPENED 2010, NEVER DECLARED

DATE	DEPOSITS	WITHDRAWALS	VALUE COUNTED
01.04.2010	$1,000	—	**$1,000**
01.06.2011	$500	—	**$500**
01.08.2011	—	$700	—
01.04.2012	$500	—	—
01.08.2013	$500	—	**$300**
01.04.2019	$2,500	—	**$2,500**
01.06.2020	—	$400	—
01.09.2021	$1,000	—	**$600**
01.05.2024	—	$500	—
TOTAL			$4,900

Converted into ₹ at the RBI reference rate as on **31.03.2026**.

ILLN. 2 — SAME ACCOUNT, ALREADY DECLARED UNDER BMA 2015, CH. VI

DATE	DEPOSITS	WITHDRAWALS	VALUE COUNTED
01.04.2019	$2,500	—	**$2,500**
01.06.2020	—	$400	—
01.09.2021	$1,000	—	**$600**
01.05.2024	—	$500	—
TOTAL			$3,100

READING THE TWO CARVE-OUTS

Re-deposit netting — the $500 deposited on 01.04.2012 is fully ignored and only $300 of the 01.08.2013 deposit counts, because $700 had been withdrawn and is assumed re-deposited. The same logic reduces 01.09.2021 from $1,000 to $600.

Earlier BMA declaration — only deposits made *since* the date of that declaration are aggregated, cutting the value from $4,900 to $3,100.

ILLUSTRATION · RULE 3(3) & FAQ Q34

Reinvestment: value counted once

Where a new asset is acquired out of the sale proceeds of an old asset or a withdrawal from a bank account, the FMV of the **old** asset (or the account) is **reduced** by the amount reinvested — the new asset is then valued independently at its own FMV.

ILLN. 1 — PROPERTY → BANK ACCOUNT → PROPERTY

H1 · HOUSE PROPERTY
Bought 2014 ₹20L · sold 2017 ₹25L
Higher(20, 25) − 25 invested in BA
FMV Nil

→

BA · FOREIGN BANK ACCOUNT
Deposits-based value ₹70L
70 − 30 invested in H2
FMV ₹40 lakh

→

H2 · HOUSE PROPERTY
Bought 2018 ₹30L · value on 31.03.2026 ₹50L
Higher(30, 50)
FMV ₹50 lakh

AGGREGATE DECLARED
₹90L

ILLN. 2 — UNDISCLOSED INCOME PLOUGHED INTO AN ASSET

FI · UNDISCLOSED FOREIGN INCOME 2022
₹70L − ₹60L invested in FA
₹10 lakh

→

FA · IMMOVABLE PROPERTY 2023
Higher(₹60L cost, ₹80L on 31.03.2026)
₹80 lakh

THRESHOLD CONSEQUENCE
Aggregate for Illn. 2 is ₹10L + ₹80L = **₹90 lakh** — within the ₹1 crore ceiling. Without the r.3(3) reduction it would have been ₹1.50 crore and the assessee ineligible.

Source: FAST-DS FAQ Q34 · FAST-DS Rules, 2026 r.3(3), Illustrations 1 & 2 [G.S.R. 732(E)]

Four forms, four clocks

Form 1

DECLARATION

Filed electronically between **16.08.2026 and 31.12.2026**.

Entries may be repeated for multiple assets or income items. Upload proof of acquisition and a valuation report wherever valuation is done.

Form 2

ORDER OF AMOUNT PAYABLE

Issued after electronic verification, within **one month from the end of the month** of the declaration. Communicates tax + penalty, or the fee.

Payment

TWO MONTHS, THEN GRACE

Two months from the end of the month the order is received — interest-free.

A further **two months** with simple interest at **1% per month** or part month.

Form 3

INTIMATION OF PAYMENT

Furnished electronically with **proof of payment** — including interest, if any — within the period allowed for payment.

Form 4

ORDER CERTIFYING PAYMENT

Certifies the validity of the declaration and the payment, within **one month from the end of the month** of the intimation.

WORKED TIMELINE — RULE 7 ILLUSTRATION

Order dated 22 Sep 2026 · amount ₹48 lakh · interest-free until 30 Nov 2026

DATE OF PAYMENT	DELAY BEYOND 30 NOV 2026	INTEREST	TOTAL PAYABLE
25 Nov 2026	Nil — within two months	Nil	**₹48,00,000**
17 Dec 2026	1 month or part thereof	1% = ₹48,000	**₹48,48,000**
23 Jan 2027	2 months or part thereof	2% = ₹96,000	**₹48,96,000**
5 Feb 2027	Beyond the outer limit	—	**Benefit lost**

THE OUTER LIMIT

4 months

from the end of the month in which the Form 2 order was passed — here **31 Jan 2027**.

Miss it and the benefit of the scheme ceases for that declaration.

Source: FAST-DS FAQs Q37–Q46 · FAST-DS Rules, 2026 r.5–r.8 and the Rule 7 illustration [G.S.R. 732(E)]

What you get — and what you give up

IMMUNITY ON VALID DECLARATION + PAYMENT

- ✓ No **further tax or penalty** under the Black Money Act, 2015 on the income or asset declared
- ✓ Immunity from **prosecution** under the Black Money Act, 2015
- ✓ The declared income / investment is **not included in total income** under the Income-tax Act, 1961 or the Black Money Act, 2015

THE TRADE-OFF — NO GOING BACK

- ✕ No **rectification or revision** of any assessment already made under the Income-tax Act, 1961 or the Black Money Act, 2015
- ✕ No **set-off or relief** in any appeal, reference or other proceeding relating to such assessment
- ◆ Where assessment proceedings are **pending**, the AO must take the declaration into account while finalising the order

WHERE THE SCHEME DOES NOT APPLY AT ALL — FAQ Q50

a

Income or asset that directly or indirectly represents **proceeds of crime** where proceedings have been initiated or are pending under the PMLA, 2002.

b

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

Source: FAST-DS FAQs Q47–Q50 · Form 1 verification certifies s.140, Finance Act 2026 is not attracted