FAST-DS, 2026

Outreach & Compliance Guide

Chapter IV of Finance Act, 2026 & FAST-DS Rules, 2026

Salient features of the scheme

- **One-time voluntary disclosure window** to regularise specified undisclosed foreign assets and foreign income.

- **Who can declare:**
  - Persons who are **resident in India in the relevant year**,
  - Persons who are **currently NR/RNOR but were resident in India** in the year to which the undisclosed foreign income relates or in which the foreign asset was acquired.

- **Two broad categories covered:**
  - Undisclosed foreign assets / undisclosed foreign income - up to **₹1 crore** in aggregate.
  - Foreign assets acquired from taxed income or while non-resident but not reported in the return - up to **₹5 crore** in aggregate.

- **Ineligible to declare:** Persons with proceedings
  - completed under Black Money Act
  - pending/initiated under PMLA

Typical beneficiaries of the scheme

Persons with inadvertent or legacy non-disclosures

1. Dormant foreign bank accounts

- Students returning from foreign education
- Non-residents returned to India
- Employees of PSUs or government on overseas assignments

2. ESOPs/RSUs

- IT or ITES employees
- Employees in MNCs

3. Overseas trading accounts or insurance policies or Mutual Funds

4. Other assets of returning non-residents

Statutory Parameters and Critical Timelines for Compliance

March 31, 2026

Valuation Baseline.

The statutory valuation date. The Fair Market Value (FMV) of all assets proposed to be declared must be strictly computed as on this date.

August 16, 2026

Commencement

The statutory date on which the Scheme comes into force under Section 130(2).

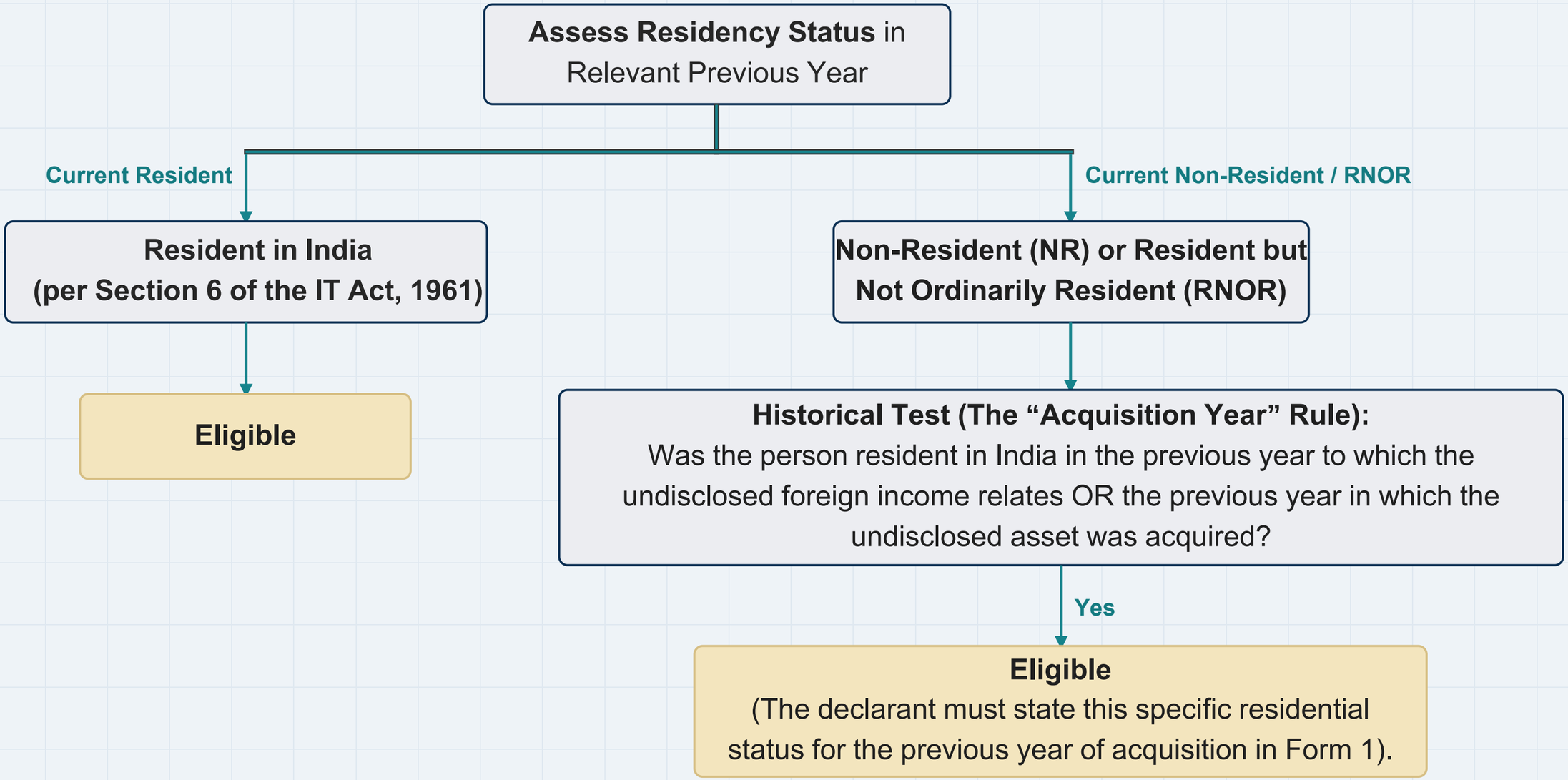
December 31, 2026

The “Last Date”.

The absolute deadline for filing a declaration electronically. No declaration can be filed after this date.



Criteria for the Definition of an Eligible "Assessee"



Disclosure under Section 133 (Finance Act, 2026)

Undisclosed income/ assets	Undeclared assets
Declaration under section 133 [Table : Sl.No 1].	**Declaration under section 133 [Table : Sl.No 2].**
Asset Profile**:** undisclosed asset located outside India; OR undisclosed foreign income.	**Asset Profile:** Asset located outside India acquired from disclosed sources (offered to tax or acquired while non-resident), but not declared in Schedule FA of the ITR.
Monetary Threshold: Aggregate value does not exceed **₹1 Crore**	**Monetary Threshold:** Aggregate value does not exceed **₹5 Crore**
Amount payable: Aggregate of 30% Tax on FMV + 30% Additional amount (Totaling 60%).	**Amount payable:** A flat fee of ₹1 Lakh.

Immunities

Direct Immunity (Black Money Act, 2015)

Section 139 of the Finance Act, 2026.

Mechanism: Grants direct statutory immunity from the levy of any further tax or penalty, and from prosecution under the Black Money Act, 2015, in respect of the declared asset.

Indirect Protection (Income-tax Act, 1961)

Section 136 of the Finance Act, 2026.

Mechanism: The declared amount is not included in the total income of the declarant.

Valuation Principle

Step 1 (Primary Standard): Recognized Valuer’s Report

The price the asset would ordinarily fetch if sold in the open market on March 31, 2026. Supported by a valuer recognized by the foreign government or its agency.

Step 2 (General Rule):
Higher of Cost vs. Market

The higher of the Cost of Acquisition OR the Open Market Price.

Step 3 (Fallback):
The Indexed Cost of Acquisition

Rule 3 Explicit Mandate —

If valuation by valuer is not carried out, the Indexed Cost of Acquisition strictly serves as deemed Fair Market Value (FMV)

- FOR assets like jewellery, artistic works, immovable property, and unquoted shares/securities.
- NOT FOR quoted shares, Bank accounts, interest in partnership firm

Valuation – Immovable property

Asset Category & Rule	Scenario ID & Type	Actual Cost of Acquisition (₹)	Open Market Value (₹) (as on 31.03.2026)	Indexed Cost of Acquisition (₹) *(where applicable)*	Statutory Rule / Methodology Applied	Determined FMV under the Rules (₹)
Immovable Property [Rule 3(1)(d)]	Scenario A *(Valuer's Report Obtained)*	₹40,00,000 (London flat, **F.Y. 2013-14**)	₹95,00,000 (Certified by recognized valuer)	N/A (Valuer report obtained)	Higher of: • Actual Cost (₹40,00,000) • Certified Market Value (₹95,00,000)	₹95,00,000
	Scenario B *(Valuation not carried out)*	₹35,00,000 (Dubai land, **F.Y. 2014-15**)	None Available	₹55,41,667 (Using CII: 380/240)	Indexed Cost of Acquisition = Deemed FMV	₹55,41,667

Valuation – Quoted Shares

Asset Category & Rule	Scenario ID & Type	Actual Cost of Acquisition (₹)	Open Market Value / Balance / Formula Value (₹) *(as on 31.03.2026)*	Indexed Cost of Acquisition (₹) *(where applicable)*	Statutory Rule / Methodology Applied	Determined FMV under the Rules (₹)
Quoted Shares and Securities [Rule 3(1)(c)(i)]	**Scenario A** *(Market Appreciated)*	**₹12,00,000** (NYSE Tech, F.Y. 2021-22)	**₹1,49,56,800** (500 shares × $320 avg price × RBI rate ₹93.48)	*N/A (Indexation not permitted)*	Higher of: • Actual Cost (₹12,00,000) • Valuation Date Market Price (₹1,49,56,800)	**₹1,49,56,800**
	Scenario B *(Market Depreciated)*	**₹20,00,000** (Index Fund, F.Y. 2021-22)	**₹15,00,000** (Valuation date exchange average)	*N/A (Indexation not permitted)*	Higher of: • Actual Cost (₹20,00,000) • Valuation Date Market Price (₹15,00,000)	**₹20,00,000**
	Scenario C *(Unlisted at Acquisition, Listed on Valuation Date)*	**₹2,00,000** (F.Y. 2013-14)	**₹12,15,240** (1,000 shares × $13 avg price × RBI rate ₹83)	*N/A (Characterized as quoted on March 31, 2026)*	Higher of: • Actual unindexed Cost (₹2,00,000) • Valuation Date Market Price (₹12,15,240)	**₹12,15,240**

Valuation of Bank account

- **The Aggregate Deposit Rule [Rule 3(1)(e)]:** The valuation is determined by summing **all deposits** made into the foreign account from the date of its opening until the valuation date of **March 31, 2026** (converted to INR at the RBI reference rate on that date).

- **Same-Account Withdrawal Exclusion:** Any deposit from a previous withdrawal from the same bank account is ignored to prevent artificial double-counting of the same funds.

- **Inter-Asset Reinvestment Adjustments [Rule 3(3)]:** Where a bank withdrawal is utilized to acquire another declared foreign asset, the value of the bank account is systematically reduced to prevent double-taxing the reinvested principal.

Valuation of Bank account – Example *(where withdrawals are re-deposited)*

Transaction Date	Deposits ($)	Withdrawals ($)	Statutory Asset Value Calculation ($)
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**

Forms

Form 1

Digital Declaration

Electronically filed to the prescribed income-tax authority with valuation evidence.

Form 2

Determination Order

System-generated order communicating the exact amount payable.

Issued within 1 month from the end of the month in which Form 1 is filed.

Form 3

Intimation of Payment

Uploaded electronically with BSR code and challan inputs to prove payment (including any interest) was made.

2-month window for payment which can be extended for two more months upon payment of interest

Form 4

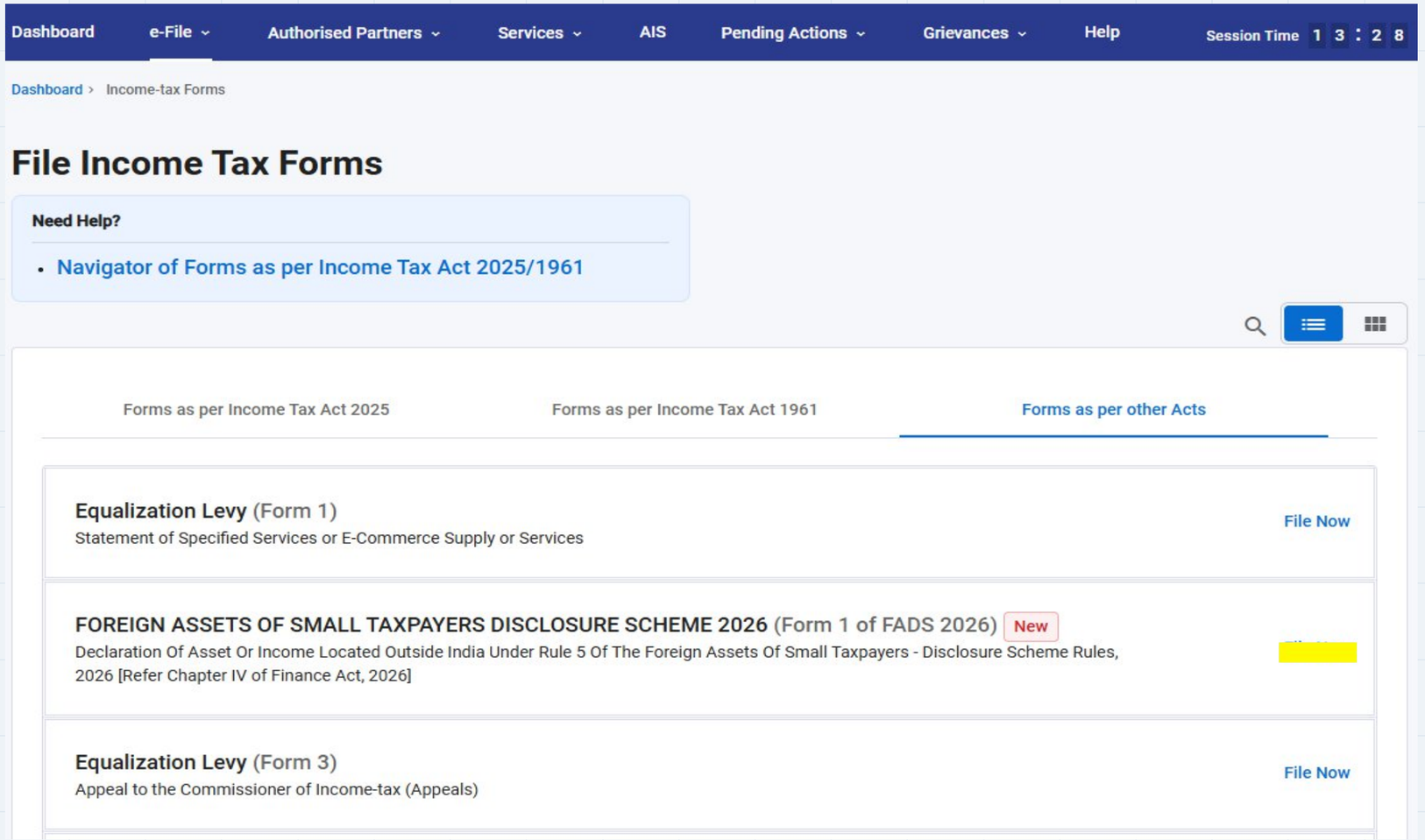
Payment Certificate

Final order certifying the validity of the declaration and payment.

Issued within 1 month from the end of the month in which Form 3 is received.

FORM 1- how to fill

- Visit the e-filing portal and navigate to the e-file tab, thereafter select income tax forms and then file income tax forms.
- There is an option to file Form 1 of FAST-DS, 2026.



FORM 1- how to fill

Part A: Basic Information of the Declarant –

- personal identifiers (PAN, Aadhaar)
- passport details (mandatory if claiming non-resident status in any relevant previous year).

Part B: Details of Asset or Income –

- Nature of declaration – undisclosed / undeclared,
- year of acquisition or earning and the corresponding residential status.

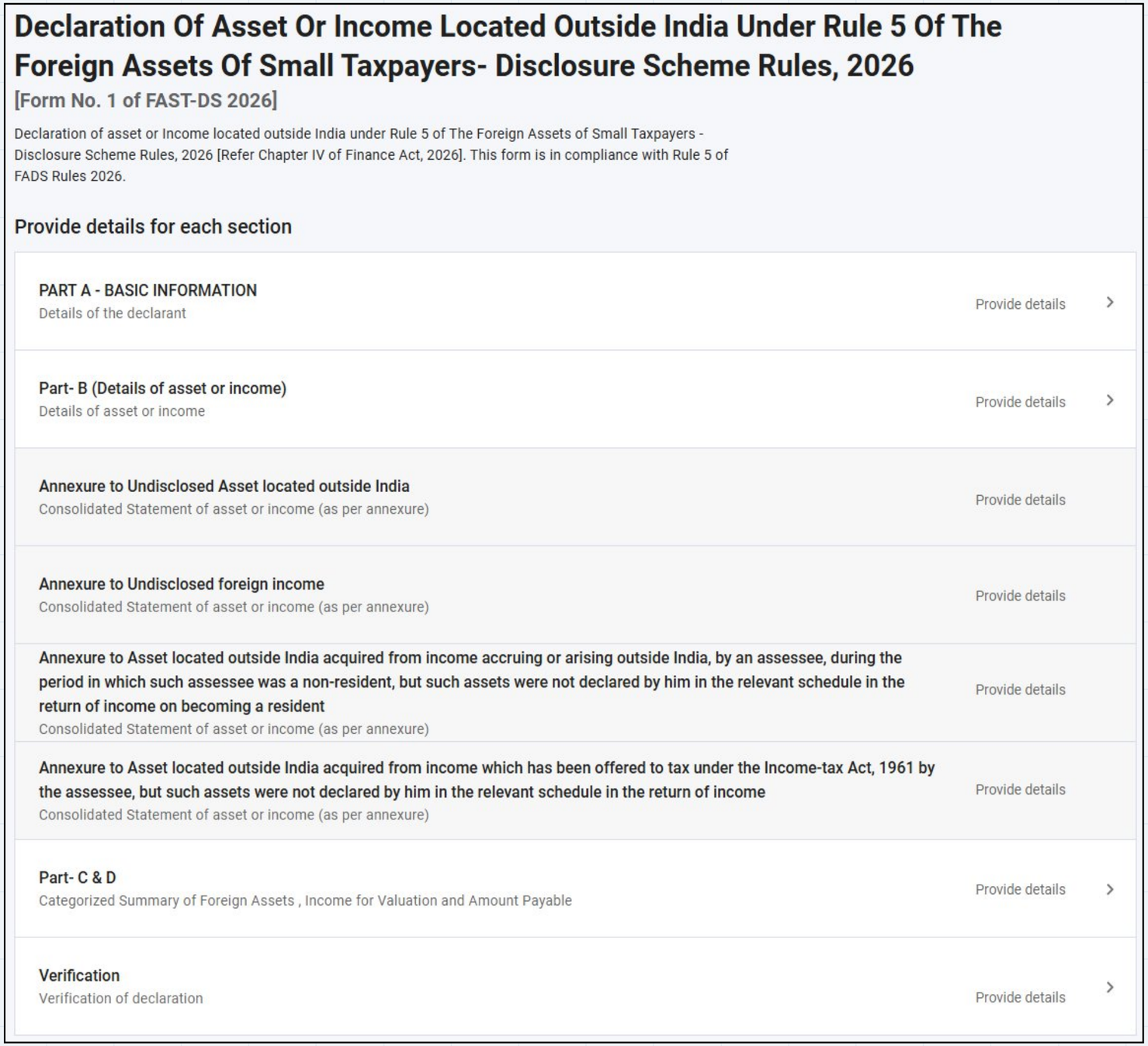
Annexure to Form 1 (Schedules A1 to A6) –

- Specific asset valuation inputs (e.g., **Schedule A1** for the bank deposit sum,).

Part C: Valuation Summary –
Aggregate values to verify compliance under the respective caps

Part D: Computation of Amount Payable – Automated computation of the 60% tax and penalty or the flat ₹1 Lakh fee

Part E: Verification – Digital verification and verification signature by the declarant using DSC or EVC under **Rule 9**.



Declaration Of Asset Or Income Located Outside India Under Rule 5 Of The Foreign Assets Of Small Taxpayers- Disclosure Scheme Rules, 2026

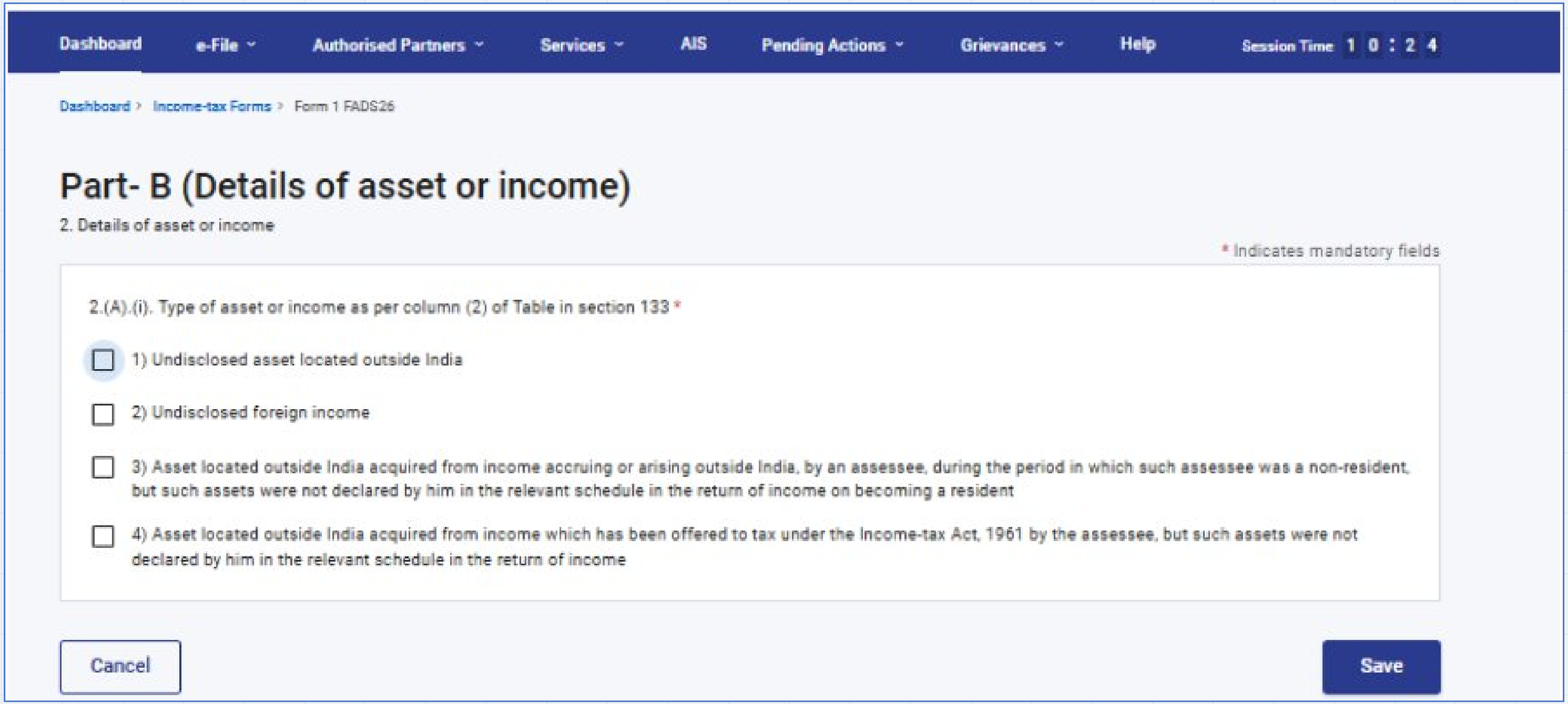
[Form No. 1 of FAST-DS 2026]

Declaration of asset or Income located outside India under Rule 5 of The Foreign Assets of Small Taxpayers - Disclosure Scheme Rules, 2026 [Refer Chapter IV of Finance Act, 2026]. This form is in compliance with Rule 5 of FADS Rules 2026.

Provide details for each section

PART A - BASIC INFORMATION Details of the declarant	Provide details ›
Part- B (Details of asset or income) Details of asset or income	Provide details ›
Annexure to Undisclosed Asset located outside India Consolidated Statement of asset or income (as per annexure)	Provide details
Annexure to Undisclosed foreign income Consolidated Statement of asset or income (as per annexure)	Provide details
Annexure to Asset located outside India acquired from income accruing or arising outside India, by an assessee, during the period in which such assessee was a non-resident, but such assets were not declared by him in the relevant schedule in the return of income on becoming a resident Consolidated Statement of asset or income (as per annexure)	Provide details
Annexure to Asset located outside India acquired from income which has been offered to tax under the Income-tax Act, 1961 by the assessee, but such assets were not declared by him in the relevant schedule in the return of income Consolidated Statement of asset or income (as per annexure)	Provide details
Part- C & D Categorized Summary of Foreign Assets , Income for Valuation and Amount Payable	Provide details ›
Verification Verification of declaration	Provide details ›

FORM 1- how to fill (Part B)



FORM 1- how to fill (example of annexure)

Annexure to Undisclosed Asset located outside India

Consolidated Statement of asset or income (as per annexure)

* Indicates mandatory fields

A1. Bank Account

Would you like to provide details for a specific asset or income source? *

◯ Yes ◯ No

A2. Immovable property (attach valuation report, if applicable)

Would you like to provide details for a specific asset or income source? *

◯ Yes ◯ No

A3. Jewellery (attach valuation report , if applicable)

Would you like to provide details for a specific asset or income source? *

◯ Yes ◯ No

A4. Artistic work (attach valuation report, if applicable)

Would you like to provide details for a specific asset or income source? *

◯ Yes ◯ No

A5. Shares and securities

Would you like to provide details for a specific asset or income source? *

◯ Yes ◯ No

A6. Any other asset (attach valuation report , if applicable)

Would you like to provide details for a specific asset or income source?

◯ Yes ◯ No

I1. Any Income

Would you like to provide details for a specific asset or income source? *

◯ Yes ◯ No

Activa

FORM 1- how to fill (example of annexure)

A1.	**Bank account**		
	(a)	Name of Bank	
	(b)	Address of Bank	
	(c)	Country of location	
	(d)	Account holder name(s)	
	(e)	Account Number	
	(f)	Account opening date	
	(g)	Sum of all credits in the account	

A2.	**Immovable property** ***(attach valuation report***, if applicable***)***		
	(a)	Nature of property (land/building/flat etc.)	
	(b)	Address of the property	
	(c)	Country of location	
	(d)	Name(s) under which held	
	(e)	Date of acquisition	
	(f)	Total acquisition cost	
	(g)	Indexed cost of acquisition	
	(h)	Value as estimated by the valuer on valuation date, if applicable	
	(i)	Fair market value as per Rule 3	

Taxpayer Protections

The 20% Valuation Safe Harbour (Rule 5(2))

Protects against minor valuation differences.

If the AO determines a different value during subsequent assessment/ inquiry, the declaration is **protected** from being declared void for **misrepresentation**, provided the variance does not exceed **20% of the declared FMV.**

Source-Explanation Protections (Section 131(1)(j))

Defines an undisclosed asset as one where the assessee has “no explanation about the source of investment” or the explanation is “unsatisfactory.”

Application: This protects verifiable, legitimate financial routing—ensuring that LRS remittances of already-taxed domestic income, are not arbitrarily classified as “undisclosed” when a satisfactory explanation exists.

THANK YOU