INDIA TAX | INCOME TAX · CBDT · FOREIGN ASSETS · DISCLOSURE SCHEME

Foreign assets disclosure scheme 2026: declare by 31 December

Published 9 October 2026 · The Finance Intellect · Source-based summary

A one-time window lets eligible taxpayers regularise undisclosed foreign assets and income. Declarations close on 31 December 2026, with immunity from Black Money Act penalties and prosecution.

Country reference

- Country: India (Wave 1 expansion country)
- Authorities: Income Tax Department; Central Board of Direct Taxes (CBDT)
- Topic: Foreign Assets of Small Taxpayers Disclosure Scheme, 2026
- Key date: Window from 16 August to 31 December 2026; values as at 31 March 2026
- Law: Finance Act, 2026, Chapter IV; Notification No. 114/2026 (14 August 2026)

What the scheme offers

The Finance Act, 2026 created a one-time voluntary disclosure scheme for smaller cases of unreported foreign assets and income. CBDT made it operational with Notification No. 114/2026, which sets the rules, valuation method and forms.

Two categories

- Undisclosed foreign assets or income: aggregate fair market value up to INR 1 crore. Tax of 30% plus an additional amount equal to 100% of that tax.
- Assets acquired from income earned as a non-resident, or from income already taxed in India but not reported in a return: aggregate value up to INR 5 crore. Fixed fee of INR 1 lakh.

Key facts

- Valuation date: 31 March 2026.
- Scheme effective: 16 August 2026.
- Last date to declare: 31 December 2026.
- Forms: Form 1 (declaration), Form 2 (amount payable), Form 3 (proof of payment), Form 4 (certificate).
- A valid declaration and payment give immunity from further tax, penalty and prosecution under the Black Money Act, 2015 for the declared asset or income.

Who should look at it

- Returning non-residents who kept foreign accounts, shares or property and did not report them in Schedule FA.
- Employees with overseas stock plans or pension accounts left out of returns.

- Residents with small foreign bank balances from earlier years abroad.

What to do now

- List all foreign assets held at any time, with values at 31 March 2026.
- Decide which category applies, and compute the cost.
- File well before 31 December.

Our take

For professionals who moved back to India from the Gulf, the INR 1 lakh fee route is a cheap way to fix a reporting gap. Check eligibility with an adviser; the Black Money Act penalties outside the scheme are severe.

Sources

- Income Tax Department: News and e-Campaigns (Notification No. 114/2026)
- EY: Foreign assets disclosure scheme operationalised (August 2026)

This summary is for general information and is not tax, legal or financial advice. It is based on public Income Tax Department publications, together with adviser commentary, and may be incomplete or out of date. The official legislation and guidance prevail; check the official text before acting.

ABOUT THE FINANCE INTELLECT

A Finance Knowledge & Resource Platform by Neocor Consultancy. Weekly tax and finance insights, Excel templates, calculators and a learning hub for finance leaders and professionals.

Platform: thefinanceintellect.com | **Owner:** neocorconsultancy.com