Foreign Assets Now Appear in Your AIS

The CBDT order dated **8 July 2026** puts your offshore accounts, ESOPs and crypto inside your Annual Information Statement. Reconcile with Schedule FA before you file **AY 2026-27**.

AEOI | CRS | FATCA | SCHEDULE FA | BLACK MONEY ACT 2015

What the CBDT Order Actually Did

By an order dated **8 July 2026** (F.No. 225/73/2025-ITA-II), the CBDT authorised the Director General of Income-tax (Systems), Delhi, to upload Automatic Exchange of Information (AEOI) data directly into a taxpayer's AIS and Form 26AS.

Because this filing season straddles two statutes, the enabling order runs under **Section 119** of the Income-tax Act, 1961 (AY up to 2025-26) and a parallel **Section 239** of the Income-tax Act, 2025 ("Instructions to subordinate authorities", the successor to Section 119).

Key point: The Department is not asking for new data. It is showing you the data it already holds about your offshore accounts, plus SMS and email nudges to affected taxpayers.

Section 119 - IT Act 1961

Covers AY up to 2025-26

Section 239 - IT Act 2025

Successor provision for current and future AYs

What You Will Now See, and For Which Years

Your AIS will surface foreign bank accounts, custodial and brokerage (investment) accounts, year-end balances, and specified income such as interest and dividends, reported to India under **CRS (100+ jurisdictions)** and **FATCA (the India-US IGA)**.

Calendar Year	Status in AIS	Relevance
2022	Loaded	Historical
2023	Loaded	Historical
2024	Loaded	Historical
2025	Expected Sep-Oct 2026	**This filing**

CRS

100+ jurisdictions reporting to India

FATCA

India-US IGA bilateral exchange

⚠ Treat the AIS as a prompt, not a complete ledger. You remain responsible for anything it misses.

Who Must Report, and the NRI Trap

ROR - Must File Schedule FA

Resident and Ordinarily Resident must complete Schedule FA, Schedule FSI and Schedule TR where relevant, whether or not the foreign income is taxable in India.

NR / RNOR - Generally Exempt

Non-Resident and Resident but Not Ordinarily Resident are generally not required to fill Schedule FA.

The NRI Trap: In the first year your status flips to ROR, previously non-reportable foreign accounts suddenly become reportable. Returning NRIs must track the exact year residential status changes, because that is when disclosure switches on.

Assets Founders Most Often Forget

ESOPs and RSUs

Foreign parent shares held by employees of Indian subsidiaries of US or European companies, even when the vested value is small.

Foreign Brokerage Accounts

Accounts holding US-listed stocks bought through an app, with dividend or interest credits.

Legacy Foreign Bank Accounts

Accounts retained from a past stint abroad, including dormant salary accounts.

Offshore Crypto

Crypto held on CRS-reporting offshore exchanges and foreign wallets.

Beneficial Interests

Foreign trusts, holding companies or partnerships, even where you are not the legal owner.

The Penalty Regime: Black Money Act 2015

Foreign-asset non-disclosure is not governed by ordinary Income-tax Act penalties. It falls under the tougher **Black Money (Undisclosed Foreign Income and Assets) Act, 2015**.

Provision	Trigger	Penalty
Section 43	Failure to disclose or inaccurate particulars of a foreign asset	**Rs 10 lakh per year**
Section 42	Resident holding foreign asset fails to file return at all	**Rs 10 lakh per year**
Undisclosed Value	Undisclosed foreign income or asset value	**30% tax + 3x penalty + prosecution**

Relief from 1 October 2024

The Rs 10 lakh penalty under Sections 42 and 43 does **not** apply where the aggregate value of foreign assets (other than immovable property) does not exceed **Rs 20 lakh** in the year.

Critical Caveat

This relief does **NOT** remove the duty to still disclose the asset in Schedule FA. The de-minimis is a penalty backstop, not a licence to omit.

Rs 10L

Per-Year Penalty

Sections 42 and 43, Black Money Act

30%

Flat Tax

On undisclosed foreign income or asset value

3x

Penalty Multiplier

Of the tax due for wilful evasion

Rs 20L

De-Minimis Threshold

Aggregate foreign assets (excl. immovable property) for penalty relief

Your Reconciliation Checklist Before You File

1

Step 1: Download AIS

e-filing portal, Services, Annual Information Statement, find the AEOI / foreign-account block.

2

Step 2: List All Assets

Every foreign account and asset you held, whether or not it appears in the AIS.

3

Step 3: Match Statements

Line by line against your foreign bank and broker statements: peak balance, closing balance, gross interest or dividend.

1

Step 4: Fill Schedule FA

For each asset using the correct reporting period, plus Schedule FSI and TR where foreign tax was paid.

2

Step 5: Reconcile Mismatches

Submit AIS feedback for wrongly attributed accounts; disclose anything you genuinely forgot.

3

Step 6: Revise if Needed

Already filed AY 2026-27 without full Schedule FA? File a revised return. Correcting proactively is far cheaper than a Black Money Act proceeding.

The Bottom Line for Founders and CAs

The Last Excuse Is Gone

The 8 July 2026 order removes the last excuse: "I did not know the Department had the data." It now sits in your AIS.

De-Minimis Is Not a Licence to Omit

The de-minimis is a penalty backstop, not a licence to omit. Disclose the asset; rely on the Rs 20 lakh threshold only for shelter from the penalty.

Reconcile Now

If you hold foreign ESOPs, an overseas brokerage, a legacy foreign bank account, or offshore crypto, reconcile now.

Talk to an Expert
CA Adityavikram Banka, Founder, A S Banka Advisors Private Limited.

Book a Call with CA Adityavikram Banka