

Enhancing Tax Transparency on Foreign Assets & Income: **Understanding CRS & FATCA**

Summary:

This note reminds taxpayers that if they have **any money, property, bank accounts, or investments outside India**, they must report them clearly in their **Income Tax Return (ITR)**.

India gets information from other countries under **CRS** and **FATCA**, so the tax department already knows about many foreign accounts. If taxpayers don't report these assets, they may face **penalties or prosecution** under the **Black Money Act**.

To report foreign assets and foreign income:

- Use an ITR form that has **Schedule FA** (not ITR-1 or ITR-4).
- Report foreign income in **Schedule FSI**.
- Report tax paid abroad and claim credit in **Schedule TR**, along with **Form 67**.
- Give details of all types of foreign assets in **Schedule FA** (foreign bank accounts, investments, property, insurance, companies, trusts, etc.).

If someone forgot to report these in their original return, they can still correct it by filing a **revised return** (for AY 2025-26, by **31 December 2025**).

In short: **If you have anything abroad—money or income—you must report it in the correct schedules to avoid trouble and stay compliant with Indian tax laws.**