The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

Thiruvananthapuram Branch (SIRC)

NEWS LETTER

SEPTEMBER 2026

Private Circulation Only

Chairperson's Message

Dear Esteemed Professional Colleagues,

August was a month of balancing professional commitments with the joy of the festive season. With audits, Income Tax Return work and the Onam holidays keeping our members fully engaged, the Branch consciously kept the programme calendar light. Yet, the occasions we hosted were filled with enthusiasm, learning and meaningful participation.

The SIRC Conference at Guntur on 7th and 8th August offered a valuable platform for interaction and professional enrichment. I sincerely appreciate all members from our Branch who participated and represented us. Your continued involvement in regional programmes strengthens our collective presence and spirit.

The Sekar Memorial Lecture, held on 10th August, was another meaningful occasion during the month. We remembered our late Past Chairman, CA. Sekar, with deep respect and affection. He was also the father of our ever-supportive member, CA. Sreeram Sekar, whose continued association with and support for our Branch are sincerely appreciated. This year's memorial lecture was delivered by CA. Rengarajan G, Chennai, on the topic "The Clause & The Courtroom – Form 3CD Meets the Bench." His insightful session added depth and relevance to the remembrance, making it a fitting tribute to the legacy of CA. Sekar.

During August, the Branch also conducted career counselling sessions at various colleges across Thiruvananthapuram. These sessions helped young students understand the CA profession, its opportunities and the discipline it demands. I extend my heartfelt thanks to all our members who served as career counsellors. Your willingness to guide and inspire the next generation reflects the true spirit of our fraternity and strengthens the profession's future.

On 14th August, the Branch hosted the seminar on "Global Opportunities – India to the World", organised in association with the Global Trade and Services Committee. The programme brought together distinguished guests and eminent speakers featured in the event.
We were honoured to welcome Shri. S. N. Raghuchandran Nair, President, Trivandrum Chamber of Commerce and Industry, as the Chief Guest, whose presence added stature and relevance to the occasion.
The seminar was enriched by the participation of CA. Sanjib Sanghi, Central Council Member and Chairman, Global Trade & Services Committee, ICAI, whose perspectives on global opportunities and emerging ecosystems provided valuable insights to our members. His presence and guidance were central to the success of the programme.

The day was made even more special by our Onam celebrations. It was heartening to see members set aside their busy schedules and participate with such enthusiasm. The Thiruvathira Kali and Onam Pookalam were especially delightful, reflecting the creativity, teamwork and festive spirit of our members. These celebrations reminded us of the importance of coming together beyond our professional roles.

We also observed Independence Day on 15th August with a simple yet meaningful gathering at the Branch. The occasion was marked by patriotic spirit and a strong sense of fellowship among members.

August is always a demanding period for Chartered Accountants, and this year was no different. The combination of the Onam festive season, holidays, audit work and Income Tax Return deadlines meant that our members had limited time to spare. We therefore felt it appropriate to keep Branch activities minimal and allow everyone to give due attention to their professional and family commitments.

Our thoughts also turn to our CA students preparing for their forthcoming examinations. To every student appearing for the exams, I wish you confidence, clarity and success. Your hard work and perseverance will surely take you closer to your goals. Give your best and believe in yourself.

I sincerely thank all our members, students and Branch staff for their wholehearted support and cooperation. Your participation, encouragement and willingness to contribute are what make every Branch initiative meaningful.

As we move into September, let us continue with the same spirit of togetherness and mutual support. I look forward to another productive and engaging month for our Branch.

With warm regards,

CA. Julie G Varghese
Chairperson
ICAI Thiruvananthapuram Branch (SIRC)

Secretary's Message

Dear Esteemed Professional Colleagues,

The Activities for August commenced with the Sekar Memorial Lecture 2026, held on 10th August at ICAI Bhawan, Thiruvananthapuram. As a tribute to the memory and professional legacy of our esteemed colleague, the programme featured CA. Rengarajan G, Chennai, who delivered an insightful session on "The Clause & The Courtroom – Form 3CD Meets the Bench". The session offered members valuable perspectives on the practical and legal aspects of tax audit and reporting.

On 14th August, the Branch hosted the 15th ICAI Global Orbit – "From GCCs to Global Leadership", organised by the Global Trade and Services Committee of ICAI. The programme brought together eminent speakers who shared valuable insights on global career opportunities, GCCs, IFSC, international clients and cross-border taxation. The sessions provided members with a wider perspective on the growing global opportunities for the profession.

The day was further enriched by our Onam celebrations, held alongside the Global Orbit programme. The Athapookalam competition, games and cultural programmes created a festive atmosphere and brought members together in the true spirit of Onam. The enthusiastic participation of members made the celebrations a memorable occasion for the Branch.

The Branch also celebrated the *80th Independence Day* on 15th August with the hoisting of the National Flag at the Branch premises. The occasion was a moment to reflect on our responsibilities as professionals and citizens towards the continued progress of our nation.

The Branch continued its IT Help Desk initiative, providing support to members in addressing income tax-related queries and online compliance requirements. We express our sincere gratitude to CA. Sujith Vijayan and CA. Vinod Johnny for volunteering their time and expertise in support of fellow members. Their contribution reflects the spirit of professional fraternity and service that we seek to foster at the Branch.

The Branch was also represented at the SIRC Conference at Guntur, providing an opportunity to interact with the wider ICAI fraternity and strengthen professional connections across the region.

I sincerely thank all our speakers, dignitaries, volunteers and members for their continued support and enthusiastic participation. Every programme becomes meaningful through the involvement of our members, and I deeply appreciate your continued encouragement.

As we move forward, we remain committed to creating opportunities for professional learning, meaningful engagement and fellowship, and to building a Branch that members can truly feel a part of.

Jai Hind! Jai ICAI!

Warm Regards,

CA. Jithin Mathew Kurian
Secretary
Thiruvananthapuram Branch (SIRC)

That Forgotten Foreign Account: Understanding FAST-DS 2026

A one-time window to regularise foreign assets and foreign income left off in past tax returns

CA. Ashwin C Nair

Introduction

An overseas bank account opened during a study stint abroad, employer stock units received from a foreign parent company, or a savings account kept open after returning to India as a resident — these are common fact patterns among professionals with international careers. In many such cases, the underlying money is entirely legitimate. What is often missing is not honesty but paperwork: the asset was never reported in the foreign-asset schedule of the Indian income-tax return once the reporting obligation arose.

The government has now given such taxpayers a defined opportunity to put that right. The Foreign Assets of Small Taxpayers Disclosure Scheme, 2026 ("FAST-DS"), enacted through Chapter IV (sections 130 to 144) of the Finance Act, 2026, took operative effect on 16 August 2026. Form 1, the prescribed declaration form, is now live on the income-tax e-filing portal, and 31 December 2026 is fixed as the last date to file it. Members advising clients with any cross-border financial history — returning NRIs, employees of multinational groups, or individuals who have studied or worked abroad — would do well to evaluate this window before it closes.

Why This Has Become Urgent

Foreign-asset reporting lapses are no longer confined to high-net-worth individuals with elaborate offshore structures. The government's own explanatory notes to the Scheme point to far more ordinary situations: employees holding foreign RSUs or ESOPs, students who left a small bank balance behind after their return, returning non-residents with foreign insurance or pension products, and professionals who accumulated savings while on overseas deputation.

What has changed is visibility. Since July 2026, the CBDT has begun reflecting foreign-asset data received under the Common Reporting Standard (CRS) and FATCA directly in taxpayers' Annual Information Statements. The practical effect is that the department, in many cases, already has independent knowledge of the very accounts or holdings a taxpayer may have overlooked. The relevant question for a taxpayer today is therefore not only "did I report this?" but "does the department already know about this?"

Two Distinct Categories Under the Scheme

The design of FAST-DS turns on a clear distinction between two very different kinds of past lapses, and the cost of regularisation differs sharply between them.

Category 1 — Income or source never disclosed

This applies where the foreign asset or foreign income was itself undisclosed — that is, the underlying income was never offered to tax in India, or the taxpayer is unable to satisfactorily trace the source of funds used to acquire the asset — and the aggregate qualifying value does not exceed ₹1 crore. The cost here is substantial: 30% tax on the value of the undisclosed asset (valued as on 31 March 2026) or on the undisclosed income, plus a further amount equal to 100% of that tax, taking the effective cost to 60% of the value or income declared.

Category 2 — Legitimate money, but the asset was never reported

This applies to qualifying foreign assets worth up to ₹5 crore in aggregate, where the money itself has a clean tax history — either it was earned abroad while the person was non-resident and simply never reported once residency (and the reporting obligation) began, or it was acquired from income that had already been taxed in India but the asset itself was left out of the foreign-asset schedule. Here, the Scheme prescribes a flat fee of ₹1 lakh, regardless of asset value within the ceiling.

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The gap between a 60% effective levy and a flat ₹1 lakh fee makes correct classification the single most consequential step in using this Scheme. A hasty or incorrect categorisation could either cost a client far more than necessary or, worse, result in an invalid declaration.

Illustration: Foreign RSUs

Take an Indian employee of a US technology company who receives RSUs in the US parent. If the value on vesting was correctly offered to tax as salary in India and the tax was paid, but the shares were simply never reported in the foreign-asset schedule thereafter, the omission would likely sit in Category 2 subject to the Scheme's detailed eligibility and valuation rules as the source has already suffered tax; only the reporting was missed, because the source of the asset has already been subjected to tax.

The position changes if that employee also received dividends on the shares, or sold them, and did not offer the resulting income to tax when it fell due. That additional income would need to be examined separately and could pull the case, at least partly, into Category 1. The classification exercise cannot stop at the brokerage statement; it has to trace the asset from grant through vesting, dividends and sale, mapped against what was actually returned to tax each year.

Illustration: A Dormant Overseas Bank Account

Consider a person who studied and worked in the UK for a few years, accumulated savings there while non-resident, then returned to India and became resident again — but left the UK account open and unreported. If the original savings arose entirely during the non-resident years and the account was merely omitted from later disclosures, this too would likely fall within the ₹1 lakh Category 2 fee, subject to the Scheme's conditions.

But if, after becoming taxable in India on worldwide income, the account also earned interest that was never offered to tax, that interest income calls for separate treatment. "I already paid tax on the money when I earned it" does not automatically resolve every subsequent year's compliance position — each year has to be looked at on its own facts.

Residential Status: A Year-by-Year Exercise

A taxpayer's current NRI or resident status is not, by itself, determinative of eligibility. The Scheme is drafted to accommodate persons who may today be non-resident or not ordinarily resident, so long as they were resident in India in the year the relevant income arose or the asset was acquired. For professionals who have moved in and out of India over a career, the only reliable approach is to reconstruct residential status year by year, rather than relying on present-day status, passport, or current employer location

The Alternative: The Black Money Act

The reason this Scheme is worth serious attention is the alternative it displaces. The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 taxes undisclosed foreign income and assets at 30%, and sections 42 and 43 additionally provide for a penalty of ₹10 lakh in specified cases of non-disclosure, though a carve-out introduced from 1 October 2024 exempts assets other than immovable property where the aggregate value does not exceed ₹20 lakh. Under section 139 of the Finance Act, 2026, a valid FAST-DS declaration on which the prescribed amount has been paid earns the declarant immunity from further tax, penalty and prosecution under the Black Money Act, in respect of the declared income or asset, for the year ending 31 March 2026 or any earlier year. That certainty is the commercial value the Scheme offers — which is precisely why the classification exercise deserves care rather than haste.

Not a Blanket Amnesty

FAST-DS should not be read as a general regularisation route for every historical foreign holding. It expressly excludes income or assets that represent, directly or indirectly, proceeds of crime where PMLA proceedings have been initiated or are pending, and it does not apply where Black Money Act assessment proceedings for the relevant year have already been completed. Where such proceedings are pending (as opposed to completed), the law requires the Assessing Officer to take a valid declaration into account while finalising the assessment. A declaration can also be rendered invalid later if a material particular is found to be false, or if the Scheme's conditions are breached

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The Filing and Payment Process

Form 1 is available on the income-tax portal under Other Acts → Foreign Assets of Small Taxpayers Disclosure Scheme, 2026. Once the declaration is filed and electronically verified, the designated authority is required under section 135 to communicate the amount payable within one month of the end of the month in which the declaration was filed.

- Payment is ordinarily due within two months from the end of the month in which the payment order is received.
- A further extension of up to two months is available, but attracts simple interest at 1% per month or part thereof on the delayed amount.
- Once payment is confirmed, the authority issues a final certificate of the declaration.
- Amounts paid under the Scheme are non-refundable — which makes getting the valuation and classification right before filing essential.

Valuation is to be carried out under the Foreign Assets of Small Taxpayers Disclosure Scheme Rules, 2026, using 31 March 2026 as the valuation date.

A Practical Checklist Before Filing

Before Form 1 is even opened, the following reconstruction should be completed for each client with a cross-border financial footprint:

- List every foreign bank account, brokerage account, ESOP/RSU holding, foreign company interest, insurance or pension product, property, and other financial interest held at any point.
- Establish the date and source of acquisition for each asset.
- Map residential status for every relevant financial year, not merely the current year.
- Confirm which related income (dividends, interest, sale proceeds, vesting income) was actually offered to tax in India, and in which year.
- Review what was disclosed — or omitted — in the foreign-asset schedules of earlier returns.
- Value each qualifying asset as on 31 March 2026 under the prescribed Rules.

Only once this reconstruction is complete can a considered view be taken on whether a case falls within the ₹1 crore Category 1 route, the ₹5 crore Category 2 route, or outside FAST-DS altogether.

Concluding Thoughts

FAST-DS 2026 responds to a reality that members will recognise from their own client base: people study abroad, employees receive foreign stock awards, NRIs return home, and families retain overseas financial products long after the original reason for holding them has passed. Most of this is entirely above board. The compliance gap opens only when legitimate ownership abroad is not matched by correct reporting once the Indian disclosure obligation attaches.

With CRS and FATCA data now flowing into taxpayers' own Annual Information Statements, the comfortable assumption that a small, dormant foreign account will simply go unnoticed is no longer safe. For clients with any unreported foreign asset or income, the period up to 31 December 2026 is a genuine — and time-limited — opportunity to put the record straight before the department raises the question first. The exercise that matters is not filling in a form; it is reconstructing, honestly and completely, when an asset was acquired, where the money came from, what the residential status was at the time, whether the related income was taxed, and whether the return told the whole story

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EVENT SNAPS

ONAM CELEBRATIONS

With CPE Seminar | 14 Aug2026

EVENT SNAPS

CA. Sekar Memorial Lecture | 10 Aug2026

Flag Hoisting on Independence Day | 15 Aug2026

HELPDESK @ INCOME TAX

CA. Vinod Johnny

CA. Sujith Vijayan

WISHES TO BIRTHDAY CELEBRANTS

01-Sep KUMARA SIMHAN THAMPI R

02-Sep HARI KRISHNAN

05-Sep ANAND MURALI JAYALAKSHMI

08-Sep SUBRAMONI J

09-Sep AAKASH S S

10-Sep ABHIJITH RAJEEVAN PILLAI

10-Sep AUGUSTINE CYRIAC KOCHUPURACKAL

10-Sep BRUNO PEREIRA

10-Sep KESAVANALLA PERUMAL PILLAI K N

10-Sep ROSHAN VENUGOPAL

12-Sep SHASTRI GOVIND BALASUBRAMANIAN

14-Sep ANJU MARIAM MATHEW

15-Sep PADMANABHAN R

15-Sep SANDEEP C B

15-Sep THAJUDEEN M

16-Sep GN NAIR

19-Sep SYAM SEKHAR P S

19-Sep JAYASANKAR S R

20-Sep AJITH KUMAR

21-Sep PANKAJAKSHAN C G

23-Sep SONIA S BABU

23-Sep VENKITACHALAM RAMASWAMY IYER

25-Sep SATYAVAGEESWARAN NARAYANAN

28-Sep KIRAN S

30-Sep SIMPSON KOSHY SIMON

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Articles / Write-ups

Articles / Write-ups are hereby invited from members on any key topics to be published in the upcoming e-Newsletter. Members may kindly send their articles to trivandrum@icai.org with cc to icaitvm@gmail.com with the subject line “Article for Newsletter” on or before the 02nd of the following month along with mentioned details:

1. Name
2. Membership Number
3. Contact Number
4. E-mail id
5. Photo
6. Article in docx format

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