

**MINISTRY OF FINANCE**  
**(Department of Revenue)**  
 (CENTRAL BOARD OF DIRECT TAXES)  
**NOTIFICATION**

New Delhi, the 5th March, 2026

**G.S.R. 158(E).**— In exercise of the powers conferred by section 295 read with section 285BA of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:—

1. (1) These rules may be called the Income-tax \_\_\_\_\_ (Amendment) Rules, 2026.  
 (2) They shall come into force on the 1st day of January, 2026.
2. In the Income-tax Rules, 1962 (hereinafter referred to as the said rules), in Rule 114F,—  
 (a) in clause (1),—

(A) after sub-clause (v), in the *Explanation*,—

(I) in clause (a), the following provisos shall be inserted, namely:—

“Provided that for an account other than a U.S. reportable account, the provision of this clause shall apply with the effect that the phrase “financial Institution in the ordinary course of a banking or similar business” shall be substituted by the phrase “depository institution”:

Provided further that for an account other than a U.S. reportable account, a “depository account” shall also include —

- (i) an account or notional account that represents all specified electronic money products held for the benefit of a customer; and
- (ii) an account that holds one or more central bank digital currencies for the benefit of a customer’;

(II) after clause (a), the following clause shall be inserted, namely:—

‘(aa) “central bank digital currencies” means any digital fiat currency issued by a Central Bank;’;

(III) in clause (h),—

(i) in sub-clause (vi), after item (D), the following shall be inserted, namely:—

“(E) a foundation or capital increase of a company provided that the account satisfies the following requirements, namely: —

- (i) the account is used exclusively to deposit capital that is to be used for the purpose of the foundation or capital increase of a company, as prescribed by law;
- (ii) any amounts held in the account are blocked until the Reporting Financial Institution obtains an independent confirmation regarding the foundation or capital increase;
- (iii) the account is closed or transformed into an account in the name of the company after the foundation or capital increase;
- (iv) any repayments resulting from a failed foundation or capital increase, net of service provider and similar fees, are made solely to the persons who contributed the amounts; and
- (v) the account has not been established more than 12 months ago:

Provided that the provisions of item (E) shall apply in respect of an account other than a U.S. reportable account;”;

(ii) after sub-clause (vii), the following sub-clause shall be inserted, namely:—

“(viii) a depository account, other than U.S. reportable account, which represents all specified electronic money products held for the benefit of a customer, if the rolling average ninety-day end-of-day aggregate account balance or value during any period of ninety consecutive days did not exceed USD 10,000 at any day during the calendar year or other appropriate reporting period;”;

(b) in clause (2), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that for an account other than a U.S. reportable account, "financial asset" shall also include any interest (including a futures or forward contract or option) in a relevant crypto-asset;”;

(c) in clause (3), in the Explanation,—

(i) in clause (b), the following proviso shall be inserted namely:—

“Provided that for an account other than a U.S. reportable account, “depository institution” shall also include an entity that holds specified electronic money products or central bank digital currencies for the benefit of customers;”;

(ii) in clause (c),—

(I) in sub-clause (A), in item (iii), the following shall be inserted, namely:—

“Provided that for an account other than U.S. reportable account, the provisions of item (iii) shall apply with the effect that the phrase “financial assets” shall be substituted by the phrase “financial assets or relevant crypto-assets”.

Provided further that for an account other than U.S. reportable account, the item (iii) shall not include the provision of services effectuating exchange transactions for or on behalf of customers.

**Explanation.**— For the purposes of item(iii), the term “exchange transaction” means any –

(i) exchange between relevant crypto-assets and fiat currencies; and

(ii) exchange between one or more forms of relevant crypto-assets;”

(II) in sub-clause (B), below *Explanation 2*, the following proviso shall be inserted, namely:—

“Provided that for an account other than a U.S. reportable account, the provisions of sub-clause (B) and *Explanation 1* shall apply with the effect that the phrase “financial assets” shall be substituted by the phrase “financial assets or relevant crypto-assets”.”;

(d) in clause (5),—

(i) in sub-clause (a), in item (i), for the words “depository institution;”, the following shall be substituted, namely:—

“depository institution; *or*

(ii) with respect to the activity of maintaining central bank digital currencies for account holders which are not financial institutions, governmental entities, international organizations or central banks:

Provided that the provisions of item(ii) shall apply in respect of an account other than a U.S. reportable account;”;

(ii) after sub-clause (h), the following sub-clause shall be inserted, namely:—

“(ha) a qualified non-profit entity in respect of an account other than a U.S. reportable account;”;

(iii) in the Explanation, after clause (M), the following clause shall be inserted namely:—

“(MA) “Qualified Non-Profit Entity” means an entity resident in India that has obtained confirmation by the Income-tax Department or other governmental authority of India that such entity meets all of the following conditions, namely: —

- (i) it is established and operated in India exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in India and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;
- (ii) it is exempted from income tax in India;
- (iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
- (iv) the applicable laws of India or the entity’s formation documents do not permit any income or assets of the entity to be distributed to, or applied for the benefit of, a private person or a noncharitable entity other than pursuant to the conduct of the entity’s charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the entity has purchased; and
- (v) the applicable laws of India or the entity’s formation documents require that, upon the entity’s liquidation or dissolution, all of its assets be distributed to a Governmental entity or other entity that meets the conditions set out in (i) to (v), or escheat to the Government of India or any political sub-division thereof;”;

(e) after clause (5), the following clause shall be inserted, namely:—

“(5A) “relevant crypto-asset” means any crypto-asset—

- (a) that is not a Central Bank Digital Currency; or
- (b) that is not a specified electronic money product; or
- (c) for which the reporting crypto-asset service provider has adequately determined that it cannot be used for payment or investment purposes;”;

(f) in clause (6), in item (vi) of sub-clause (F) of the Explanation, the following shall be substituted, namely:—

“(vi) the excess of gains over losses from the sale or exchange of financial assets;”

(g) in clause (8), in sub-clause (b), for sub-clauses (i) and (ii), the following sub-clauses shall be substituted, namely:—

- “(i) an entity, the stock of which is regularly traded on one or more established securities markets;
- (ii) any *entity* that is a related entity of *an entity* mentioned in item (i);”;

(h) after clause (9), the following shall be inserted, namely:—

“(9A) “Specified Electronic Money Product” means any product that satisfies following criteria, namely:—

- (a) it is a digital representation of a single fiat currency;

- (b) it is issued on receipt of funds for the purpose of making payment transactions;
- (c) it is represented by a claim on the issuer denominated in the same fiat currency;
- (d) it is accepted in payment by a natural or legal person other than the issuer; and
- (e) it is, by virtue of regulatory requirements to which the issuer is subject, redeemable at any time and at par value for the same fiat currency upon request of the holder of the product.

**Explanation** – For the purposes of this clause, —

- (i) ‘Specified Electronic Money Product’ does not include a product created for the sole purpose of facilitating the transfer of funds from a customer to another person pursuant to instructions of the customer;
- (ii) a product is not created for the sole purpose of facilitating the transfer of funds if, in the ordinary course of business of the transferring entity, either the funds connected with such product are held longer than 60 days after receipt of instructions to facilitate the transfer, or, if no instructions are received, the funds connected with such product are held longer than 60 days after receipt of the funds;
- (iii) “fiat currency” means the official currency of a country or territory, issued by such country or territory, or by the designated Central Bank or monetary authority of such country or territory, as represented by physical banknotes or coins or by money in different digital forms, including bank reserves and Central Bank Digital Currencies, including commercial bank money and electronic money products (including specified electronic money products);”

**3.** In the said rules, in rule 114G,--

(a) in sub-rule (1),--

- (i) in clause (a), the following proviso shall be inserted, namely:--

“Provided that in the case of an account other than a U.S. reportable account, a reporting financial institution shall also, —

- (i) maintain and report whether the account holder has provided a valid self-certification; and
- (ii) report whether the account is a joint account, including the number of joint Account Holders.”;

- (ii) in clause (b),--

(A) in sub-clause (i), for the words “residence;” occurring at the end, the words “residence; and” shall be substituted.

(B) In sub-clause (ii), the following proviso shall be inserted, namely:-

“Provided that in the case of an account other than a U.S. reportable account, a reporting financial institution shall also —

- (i) maintain and report the role by virtue of which each reportable person is a controlling person of the entity and whether a valid self-certification has been provided for each reportable person;
- (ii) report whether the account is a joint account, including the number of joint Account Holders.”;

(iii) in clause (c), the following proviso shall be inserted, namely:—

“**Provided** that in the case of an account other than a U.S. reportable account, a reporting financial institution shall also maintain and report the type of account and whether the account is a pre-existing account or a new account;”;

(iv) in item (ii) of clause (e), the following shall be substituted, namely:—

“(ii) the total gross proceeds from the sale or redemption of financial assets paid or credited to or with respect to the account during the calendar year with respect to which the reporting financial institution acted as a custodian, broker, nominee, or otherwise as an agent for the account holder;”

(v) after clause (f), the following clause shall be inserted, namely:--

“(fa) in the case of an account other than U.S. reportable account, where any equity interest is held in an investment entity that is a legal arrangement, the role(s) by virtue of which the reportable person is an equity interest holder;”;

(b) in sub-rule (4), after the proviso, the following proviso shall be inserted, namely:--

“Provided further that for an account other than a U.S. reportable account, the reporting financial institution shall obtain the taxpayer identification number and date of birth whenever it is required to update the information relating to the pre-existing account pursuant to the rules made under the Prevention of Money-Laundering Act, 2002(15 of 2003).”;

(c) after sub-rule (6), the following sub-rule and proviso shall be inserted, namely:--

“(6A) Notwithstanding anything contained in sub-clause (ii) of clause (e) of sub-rule (1) and unless the reporting financial institution elects otherwise with respect to any clearly identified group of accounts, the gross proceeds from the sale or redemption of a financial asset are not required to be reported to the extent such gross proceeds from the sale or redemption of such financial asset are reported by the reporting financial institution under the Crypto-Asset Reporting Framework:

Provided that the provisions of this sub-rule shall apply in respect of an account other than U.S. reportable account.”;

(d) after sub-rule (11), the following sub-rule shall be inserted, namely:--

“(12) Notwithstanding anything in sub-clauses (b) and (fa) of sub-rule (1) of this rule, with respect to each reportable account other than a U.S. reportable account that is maintained by a reporting financial institution as of 31st December, 2025 and for reporting periods ending by the second calendar year following such date, information with respect to the role by virtue of which each reportable person is a controlling person or equity interest holder of the entity is only required to be reported if such information is available in the electronically searchable data maintained by the reporting financial institution.”;

4. In the said rules, in rule 114H,—

(a) in sub-rule (2),--

(i) in clause (d), for sub-clause (ii), the following sub-clause shall be substituted, namely:--

“(ii) in case of other reportable account, the 1st January, 2016 or, if the account is treated as a financial account solely by virtue of the amendments to the Common Reporting Standard, on or after 1<sup>st</sup> January 2026;”;

(ii) in clause (h), for sub-clause (II), the following sub-clause shall be substituted, namely:--

“(II) in case of other reportable account, the 31st December, 2015 or, if the account is treated as a financial account solely by virtue of the amendments to the Common Reporting Standard, as of 31<sup>st</sup> December 2025;”;

(b) in sub-rule (6), in clause (a), in sub-clause (ii), in item (B), the following proviso shall be inserted, namely:--

“Provided that in the case of an account other than a U.S. reportable account, if the reporting financial institution is not legally required to collect and maintain information in accordance with the rules made under the Prevention of Money-laundering Act, 2002 (15 of 2003), it must apply substantially similar procedures for the purpose of determining the controlling persons;”;

(c) in sub-rule (7), after clause (a), the following clause shall be substituted, namely:--

“(aa) in the case of an account other than a U.S. reportable account, in exceptional circumstances where a self-certification cannot be obtained by a reporting financial institution in respect of a new account in time to meet its due diligence and reporting obligations with respect to the reporting period during which the account was opened, the reporting financial institution must apply the due diligence procedures as applicable for the pre-existing accounts to such new accounts, until such self-certification is obtained and validated;”;

(d) after sub-rule (8), the following sub-rule shall be inserted, namely:--

“(9) For the purposes of rule 114F, 114G and this rule, exchange of any information in respect of any transaction in relevant crypto-assets is only for the limited purposes of administration of taxes by the relevant jurisdiction.”.

[Notification No. 19/2026/F. No. 370149/209/2025-TPL]

PRADEEP SHARMA, Dy. Secy.

**Note:-** The principal rules were published vide notification S.O. 969(E), dated the 26<sup>th</sup> March, 1962 and last amended *vide* notification GSR 598(E), dated the 01<sup>st</sup> September, 2025.