

Ministry of Finance



## CBDT launches 2nd NUDGE initiative to strengthen voluntary compliance in respect of Foreign Assets

Under the 2nd NUDGE initiative, CBDT will send SMSs and emails from 28th November 2025 to identified taxpayers with advice to voluntarily review and revise their returns on or before 31st December 2025 to avoid penal consequences

Posted On: 27 NOV 2025 1:45PM by PIB Delhi

Analysis of the Automatic Exchange of Information (AEOI) for FY 2024-25 (CY 2024) by the Central Board of Direct Taxes (CBDT) has identified high-risk cases where foreign assets appear to exist but have not been reported in the ITRs filed for AY 2025-26. Accordingly, the CBDT is launching the second NUDGE campaign, under which SMSs and emails will be issued from 28<sup>th</sup> November 2025 to such taxpayers, advising them to review and revise their returns on or before 31<sup>st</sup> December 2025 to avoid penal consequences.

The campaign aims to facilitate correct reporting in Schedule Foreign Assets (FA) and Foreign Source Income (FSI) in ITRs. Accurate and complete disclosure of foreign assets and income is a statutory requirement under the Income-tax Act, 1961, and the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

Adopting a **PRUDENT** [**P – Professionalism, R – Responsible & Responsive, U – Understanding (laws, transactions & business), D – Dedication & Due Diligence / Data-based decision making, E – Effective enforcement (with empathy), N – Non-intrusive administration (taxpayer-centric, compliance-nudging), T – Technology (technology-based tax administration)**] approach to tax administration, CBDT utilises advanced data analytics to simplify compliance processes, reduce information asymmetry and reinforce a transparent and trust-oriented interface with taxpayers. The initiative aligns with the vision of Viksit Bharat, fostering accountability, transparency and a culture of voluntary compliance.

The CBDT continues to strengthen its data-driven, non-intrusive and taxpayer-centric measures aimed at improving voluntary compliance. The “Non-intrusive Usage of Data to Guide and Enable (NUDGE)” initiative reflects CBDT’s commitment to a forward-looking, technology-enabled and trust-based tax administration focused on promoting accurate reporting and enhancing revenue mobilization.

The first NUDGE campaign, launched on 17th November 2024, targeted select taxpayers who had been reported by foreign jurisdictions under the AEOI framework as holding foreign assets that were not disclosed in their Income Tax Returns (ITRs) for AY 2024-25. The initiative yielded positive outcomes, with 24,678 taxpayers (including several not directly nudged) revisiting their returns and disclosing foreign assets amounting to ₹29,208 crore, along with foreign-source income of ₹1,089.88 crore.

The CBDT receives information relating to foreign financial assets of India residents from partner jurisdictions pursuant to Common Reporting Standards (CRS) and from the United States under the Foreign Account Tax Compliance Act (FATCA). This information assists in identifying potential discrepancies and guiding taxpayers towards timely and accurate compliance.

The CBDT advises all eligible taxpayers to utilise this opportunity to ensure complete compliance with statutory reporting requirements. For further information on CRS, FATCA, Schedule FA and Schedule FSI, taxpayers may refer to the official website [www.incometax.gov.in](http://www.incometax.gov.in).

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**NB/KMN**

(Release ID: 2195261) Visitor Counter : 546

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