



KPMG AEOI Updates & Tracking Service

CRS Alert



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India: Issued Notification on Implementation of CRS 2.0

On 05 March 2026, the Central Board of Direct Taxes (CBDT) issued Notification No. 19/2026, providing details on the incorporation of the OECD's 2023 amendments to the Common Reporting Standard (CRS 2.0) into India's domestic legislative framework, with effect from 01 January 2026.

Specifically, Rules 114F, 114G, and 114H of the Income-tax Rules, 1962 (found [here](#)) have been amended to incorporate CRS 2.0, as outlined below:

— Expansion of Reportable Financial Assets:

The scope of reportable financial assets under the CRS has been expanded to include relevant crypto-assets and related interests, such as futures, forward contracts, and options.

— Expansion of Reporting Entities and Reportable Accounts:

— Depository Institutions:

The definition of "Depository Institutions" has been expanded to include entities that hold Specified Electronic Money Products (SEMPs) or Central Bank Digital Currencies (CBDCs) for the benefit of customers.

— Depository Accounts:

Correspondingly, the definition of "Depository Accounts" has been expanded to include:

- Accounts or notional accounts representing SEMPs held for the benefit of a customer; and

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- Accounts in which one or more CBDCs are held for the benefit of a customer.

— **New Categories of Excluded Accounts:**

— **Accounts for the Foundation or Capital Increase of Companies:**

Accounts opened for the purpose of the foundation or capital increase of a company will be treated as Excluded Accounts, provided that all of the following conditions are fulfilled:

- The account is used exclusively for the deposit of capital relating to the foundation or capital increase of the company.
- All funds in the account remain blocked until the Reporting Financial Institution (RFI) receives confirmation from an independent body regarding the foundation or capital increase.
- Following the foundation or capital increase, the account is either closed or converted into an account held in the name of the company.
- Any repayments arising from an unsuccessful foundation or capital increase, after deduction of service provider fees, are made solely to the persons who contributed the capital.
- The account was opened within the previous 12 months.

— **Depository Accounts Representing SEMP:**

A Depository Account representing SEMP held for the benefit of a customer will be classified as an Excluded Account if, during any 90-day period within the relevant reporting year (or other applicable reporting period), the account's average daily balance does not exceed USD 10,000 on any day during that period.

— **Non-Reporting Financial Institutions (NRFIs):**

— **Qualified Non-Profit Entities (QNPEs):**

With effect from 01 January 2026, Indian entities operating as non-profit organizations may be classified as QNPEs and treated as NRFIs under the CRS.

To qualify as a QNPE, an entity must obtain confirmation from the Income-tax Department or another

competent Indian government authority that it satisfies all of the following conditions:

- The entity is established and operates in India exclusively for one or more of the following purposes:
 - religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or
 - as a professional organization, business league, chamber of commerce, labour organization, agricultural or horticultural organization, civic league, or an organization operating exclusively to promote social welfare.
- The entity is exempt from income tax in India.
- The entity does not have any shareholders or members with a proprietary or beneficial interest in its income or assets.
- Under Indian law or the entity's foundation documents, the entity's income or assets are not permitted to be distributed to, or used for the benefit of, any private person or non-charitable entity, except:
 - in carrying out the entity's charitable activities; or
 - as payment of reasonable compensation for services provided; or
 - as payment of fair market value for property purchased by the entity.
- Upon liquidation or dissolution of the entity, Indian law or the entity's foundation documents require that all remaining assets be transferred to a government entity or another entity fulfilling the above conditions, or otherwise vest in the Government of India or any of its political subdivisions.

— **Enhanced Reporting Requirements:**

Under CRS 2.0, RFIs are required to report additional information, including:

- Confirmation of whether a valid self-certification has been obtained for each Reportable Person;
- An indication of whether the account is a joint account and, if so, the number of joint account holders;

- Identification of the type of financial account, along with an indication of whether the account is a Pre-existing Account or a New Account;
- Details of the roles under which each Reportable Person qualifies as a Controlling Person of the Entity; and
- Details of the roles under which a Reportable Person is considered an Equity Interest Holder in an Investment Entity.

For Reportable Accounts maintained by RFIs prior to 31 December 2025, and for reporting periods continuing through the second calendar year following that date, information on the roles of Controlling Persons or Entity Interest Holders is required to be reported if such information is available in the RFI's electronic records.

— **Strengthened Due Diligence Procedures:**

— **Requirement to Obtain Tax Identification Numbers (TINs) and Dates of Birth (DOB):**

RFIs are required to obtain TINs and DOBs for Reportable Pre-existing Accounts whenever account information is updated in accordance with the rules prescribed under the Prevention of Money-laundering Act, 2002 (found [here](#)).

— **Determination of Controlling Persons:**

For Reportable Accounts where RFIs are not legally required to collect information under the Prevention of Money-laundering Act, 2002, RFIs must apply substantially similar procedures to determine the controlling persons.

Reference: [CBDT Notification No. 19/2026](#) [PDF 823KB]

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