

Budget 2026: Making it Easier for NRIs to Manage Money



SIMPLER COMPLIANCE, DEEPER
CAPITAL MARKET ACCESS AND
SEAMLESS DIGITAL ENGAGEMENT

For millions of Non-Resident Indians, India is more than a familiar place on the map, it is home, heritage, and a long-term financial anchor. Whether you are managing investments from Dubai, supporting family from London, or building assets from New York or Singapore, staying aligned with India's evolving tax and regulatory landscape is essential. Union Budget 2026-27 brings a series of reforms aimed at making this connection simpler, more transparent, and easier to manage from overseas.

Presented on February 1, 2026, this budget reinforces the government's long-term objective of positioning India as a globally integrated, investment-friendly economy while easing compliance for Indians living abroad. Let's look at some of the key provisions that could directly affect NRIs, including how you remit, invest, and manage money in India.

A Simpler, More Predictable Tax Framework

One of the most consequential announcements in Budget 2026-27 is the introduction of the New Income Tax Act, 2025, effective April 1, 2026. The new law is designed to simplify language, reduce ambiguity, and improve taxpayer certainty; an important shift for NRIs navigating Indian tax rules as they also deal with foreign tax systems.

Share Buybacks and Capital Market Reforms

With the new budget, buyback proceeds from Indian companies will no longer be treated as dividend income in the hands of shareholders. Instead, they will be taxed as capital gains. For most NRI investors who are non-promoters, this aligns buyback taxation with international norms resulting in clearer, more efficient tax outcomes. While additional tax applies to promoters, non-promoter NRIs benefit from a simplified and more transparent framework.

In another significant reform through the Portfolio Investment Scheme, portfolio investment limits for Persons Resident Outside India (PROIs) have been increased. Individual foreign investors can now hold up to 10% of a listed company's paid-up capital, while the aggregate cap for all such investors has risen to 24%.

This change enhances India's attractiveness for overseas equity investors seeking meaningful exposure to Indian growth.

Easier Property Transactions for NRIs

Real estate remains a preferred asset class for NRIs, and Budget 2026-27 addresses a long-standing compliance challenge. Resident buyers purchasing property from NRIs will no longer need to obtain a Tax Deduction and Collection Account Number (TAN). Instead, Tax Deducted at Source (TDS) can now be deposited using a PAN-based challan.

Targeted Relief for Global Professionals

To attract global expertise, the government has introduced a five-year tax holiday on foreign-sourced income for eligible non-residents visiting India under notified government initiatives. Income earned outside India and not deemed to accrue in India will remain exempt during this period, providing tax certainty for professionals contributing to strategic national programs.

Foreign Asset of Small Taxpayers Scheme

The Finance Minister has also introduced the Foreign Assets of Small Taxpayers - Disclosure Scheme (FAST - DS), 2026, a time-bound scheme allowing declaration of foreign assets and foreign sourced income for taxpayers involving amounts below a certain threshold. Intended to address practical issues of small taxpayers like students, young professionals, tech employees, relocated NRIs, and such others, this is a one-time 6-month foreign asset disclosure scheme.

Presently, there is no penalty for non-disclosure of non-immovable foreign assets with aggregate value less than 20 lakh rupees. As part of the Budget announcement, they will now also be provided with immunity from prosecution with retrospective effect from 01.10.2024.

Cross-Border Transfers and NRI Banking

Budget 2026-27 also aligns with India's broader push to modernize cross-border money flows. Reduced TCS rates on certain foreign remittances, combined with discussions around expanding digital payment corridors and integrating banking platforms, signal a future where remittances, investments, and compliance are increasingly interconnected. For NRIs, this could translate into faster transfers, lower friction, and more transparent fund management across NRE and NRO accounts.

Union Budget 2026-27 reinforces India's commitment to creating a stable, globally aligned financial ecosystem for NRIs and foreign investors. While some reforms are already in force and others remain on the policy horizon, the direction is clear: simpler compliance, deeper capital market access with seamless digital engagement.

