

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 228
ANSWERED ON -19/07/2022

TAX EXEMPTION FOR CRYPTOCURRENCY

228. SHRI ABDUL WAHAB:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government wants to exempt cryptocurrency transactions from taxes;
- (b) if so, the reasons therefor;
- (c) action taken by Government to deter risky cryptocurrency transactions; and
- (d) the current status of the Indian Digital Rupee?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): There is no such proposal under consideration.

(b): Does not arise.

(c): In order to reduce risk, Reserve Bank of India (RBI) has been cautioning users, holders and traders of Virtual Currencies (VCs) vide public notices on December 24, 2013, February 01, 2017 and December 05, 2017 that dealing in VCs is associated with potential economic, financial, operational, legal, customer protection and security related risks. RBI, vide its circular dated May 31, 2021 has also advised its regulated entities to continue to carry out customer due diligence processes for transactions in VCs, in line with regulations governing standards for Know Your Customer (KYC), Anti-Money Laundering (AML), Combating of Financing of Terrorism (CFT), obligations under Prevention of Money Laundering Act (PMLA), 2002, etc.

(d): RBI has started the work for a phased implementation of the announcement made on Introduction of Digital Rupee-Introduction of Central Bank Digital Currency (CBDC) in the budget speech 2022-23.
