

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
RAJYA SABHA UNSTARRED QUESTION NO. 3104  
TO BE ANSWERED ON 28.03.2023

**Clarification regarding cryptocurrencies**

3104 **Shri P. Wilson:**

Will the Minister of *Finance* be pleased to state:

- (a) the present status of allowing cryptocurrencies issued by private agencies in the country;
- (b) the steps Government has taken with regard to RBI's recommendation of regulating cryptocurrencies;
- (c) whether any Inter-Ministerial committee has examined the issue of cryptocurrency and if so, the outcome of the committee; and
- (d) if so, the details thereof?

ANSWER

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

(a): Currently, Crypto Assets are unregulated in India. However, Government vide Finance Act, 2022, brought a comprehensive taxation regime for transfer of virtual digital assets (VDAs) and vide notification dated 7<sup>th</sup> March, 2023 also brought VDAs under the preview of the Prevention and Money-laundering Act, 2002.

(b): RBI has recommended that crypto assets should be prohibited. Crypto assets are by definition borderless and require international collaboration to prevent regulatory arbitrage. Therefore, any legislation for regulation or for banning can be effective only with significant international collaboration on evaluation of the risks and benefits and evolution of common taxonomy and standards.

(c) & (d): For examining the issues of Virtual Currencies, the Government had constituted an Inter-Ministerial Committee (IMC) which submitted its report in 2019. The IMC, inter-alia, recommended that all private cryptocurrencies be prohibited in India. A copy of the report is available at <https://dea.gov.in>.

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