

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 548**

ANSWERED ON 07.02.2023

**TDS ON VIRTUAL DIGITAL ASSETS**

**548. SHRI SYED NASIR HUSSAIN:  
DR. AMEE YAJNIK:**

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has examined the impact on the Virtual Digital Assets (VDA) industry after one per cent TDS and disallowing and setting off losses across VDAs;
- (b) if so, the details thereof;
- (c) whether Government has collected any data on the number of investors who have gone to non-compliant / non-domestic intermediaries who do not levy one per cent TDS at source; and
- (d) whether Government has taken any measures to ensure that foreign VDA intermediaries are also part of the taxation framework?

**ANSWER**

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

(a)&(b) The provisions of taxation of Virtual digital assets (VDA) at special rate have been introduced in the Income-tax Act, 1961 (the Act) vide Finance Act, 2022 from financial year 2022-23. No impact analysis has been carried out. However, consultations with stakeholders were carried out for removal of difficulty and proper implementation of the provisions of this section. Accordingly, CBDT has issued guidelines vide Circular No. 13 of 2022 dated 22<sup>nd</sup> June 2022 and Circular No. 14 of 2022 dated 28<sup>th</sup> June 2022 for the same.

(c) No such data is maintained.

(d) Under section 194S of the Act, any person who is responsible for paying to any resident any sum by way of consideration for transfer of a VDA is required to deduct tax at source. Hence, foreign VDA intermediaries are also required to deduct tax at source under this section, if they are responsible for paying to any resident any sum as consideration for transfer of a VDA.

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