

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
RAJYA SABHA UNSTARRED QUESTION NO. 556
TO BE ANSWERED ON 07.02.2023

Trading through Metaverse

556 Shri Vivek K. Tankha:

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

- (a) whether the Union Government is aware of transactions taking place through Metaverse trades and use of Non-Fungible Token (NFT) as a currency;
- (b) if so, the details of the quantum of transactions taken place annually, during the last five years, year-wise; and
- (c) the details of steps being taken to curb creation of a parallel economy, in view of the emerging Metaverse trades and use of NFTs as a currency (business transactions and real estate transactions)?

ANSWER

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

(a) to (c): Crypto Assets including Non-Fungible Tokens (NFTs) are unregulated in India. Government does not consider NFTs as a currency and does not collect data on transactions of Metaverse trade and NFTs. Crypto Assets and NFTs are by definition borderless and require international collaboration to prevent regulatory arbitrage. Therefore, any legislation for regulation or for banning of NFTs can be effective only with significant international collaboration on evaluation of the risks and benefits and evolution of common taxonomy and standards.
