

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOKSABHA
UNSTARRED QUESTION NO. 2975
TO BE ANSWERED ON 28th December 2018/Pausha 7, 1940(SAKA)**

Crypto Currencies

**2975. SHRI FEROZE VARUN GANDHI:
KUNWAR BHARATENDRA:
SHRI ARVIND SAWANT:**

QUESTION

Will the Minister of FINANCE be pleased to state:

- a) the stance of the Government on the legality of trading in crypto currencies;
- b) the details of the composition of the panel established to draft regulations to govern crypto currencies and the recommendations made by the panel and the timeline for the expected release of the regulations;
- c) whether the Government has conducted any awareness campaigns to warn the general public of the speculative risks of such crypto currencies and taken measures against its misuse for money laundering and terrorist funding, if so, the details thereof and if not, the reasons therefor;
- d) whether the Government has been keeping a track of the value of crypto currencies traded by Indian Nationals within the Indian territory, if so, the details thereof; and
- e) whether the Government is considering to introduce its own form of crypto currency in place of Bitcoins and proposes to bring any license and authorization to any entity or company to operate such schemes or deal with Bitcoins or any virtual currency and if so, the details thereof?

ANSWER

**MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI Pon. RADHAKRISHNAN)**

- a) The Government has not recognised crypto currencies as legal tender. The issue of permitting trading in crypto currencies is currently under examination by an Inter-Ministerial Committee.
- b) The Government has constituted an Inter-Ministerial Committee (IMC) under the Chairmanship of Secretary, Department of Economic Affairs with representatives from concerned Departments to study all aspects of cryptocurrencies and crypto-assets including Bitcoin. The Committee, with representation from MeitY, RBI, SEBI and CBDT is working to develop a framework for regulating cryptocurrencies. However, in absence of a globally acceptable solution and the need to devise technically feasible solution, the Department is pursuing the matter with due caution. It is difficult to state a specific timeline to come up with clear recommendations.
- c) The Government and the RBI has been warning the users of crypto-currencies of the dangers posed by such virtual currencies. Government vide press release dated 29/12/2017 clarified that Virtual Currencies/Crypto Currencies are not legal tender and cautioned the members of public against the Risks involved in investing Crypto Currencies. RBI vide press releases dated 24th Dec, 2013, 01st Feb, 2017 and 05th Dec, 2017 cautioned the public about risks and dangers with Virtual currencies including potential financial, operational, legal, customer protection and security related risks that they are exposing themselves to by investing in Bitcoin and/or other Virtual currencies. RBI has also clarified that it has not given any license/authorization to any entity/company to operate such schemes or deal with Bitcoins or any virtual currency. Further, RBI in its letter dated 6.4.2018 has advised all entities regulated by it not to deal in VCs or provide services for facilitating any person or entity in dealing with or settling VCs. Accordingly, this ban came into force w.e.f. 6th July, 2018.
- d) No, Sir.
- e) The Inter-Ministerial Committee (IMC) under the Chairmanship of Secretary, Department of Economic Affairs is examining all issues, including the pros and cons of the introduction of an official digital currency in India. No

decision on licensing and authorising any entity or company to operate such schemes or deal with Bitcoins or any virtual currency has been made as yet.
