

**Government of India**  
**Ministry of Consumer Affairs, Food and Public Distribution**  
**Department of Consumer Affairs**  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 3614**  
**TO BE ANSWERED ON 22.03.2023**

**CUSTOMER INTEREST IN VDA SECTOR**

3614. SHRI VINCENT H. PALA:

Will the Minister of **CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION**  
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the Government has taken any steps to increase investor awareness and confidence about Virtual Digital Assets (VDAs) given the taxation of VDAs in the last Union Budget and if so, the details thereof;
- (b) whether the Government is undertaking any initiative to ensure the protection of customer interests in the VDA sector; and
- (c) if so, whether any discussions have been conducted with the industry in this regard and if not, the reasons therefor?

**ANSWER**

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मंत्री  
(श्री अश्विनी कुमार चौबे)

**THE MINISTER OF STATE**  
**CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION**  
**(SHRI ASHWINI KUMAR CHOUBEY)**

(a) & (b) : 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.

RBI has been cautioning users, holders and traders of Virtual Currencies (VCs) 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.

(c) : Government has undertaken necessary consultations with stakeholders including industry and with relevant international organisations from time to time on policy formulation of crypto assets.

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