

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTEMENT OF REVENUE**

**LOK SABHA
UN-STARRED QUESTION NO. 5186**

**TO BE ANSWERED ON MONDAY, THE 03RD APRIL, 2023
CHAITRA 13, 1945 (SAKA)**

Virtual Digital Assets

5186. SHRI SUBBARAYAN K.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has notified placing all transactions involving virtual digital assets under the purview of the Prevention of Money Laundering Act (PMLA);
- (b) if so, the details thereof;
- (c) whether the virtual digital assets have the potential to have criminal misuse considering the speed and anonymity with which they can be traded world-wide and if so, the details thereof and the reaction of the Government thereto;
- (d) whether many countries have moved to regulate virtual assets and some others have banned them outrightly; and
- (e) if so, the details thereof and the reaction of the Government thereto?

ANSWER

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

(a) & (b) Government vide Gazette notification No. S.O. 1072(E), dated 07.03.2023 has notified activities involving virtual digital assets under sub-clause (vi) of clause (sa) of sub-section (1) of section 2 of the Prevention of Money-laundering Act, 2002.

(c) Yes, the virtual digital assets have the potential for criminal misuse. Directorate of Enforcement is investigating several cases related to crypto currency/ virtual digital currency frauds wherein a few crypto exchanges have also been found involved in money laundering. Necessary action as per provisions of Prevention of Money Laundering Act, 2002 (PMLA) has been taken by the Directorate of Enforcement. As on 31.01.2023, proceeds of crime amounting to Rs. 936.89 crores have been attached/seized/freezeed, 05 persons have been arrested and 06 Prosecution Complaints (PCs) including 01 supplementary PC have been filed before the Special Court, PMLA in these cases. Further, under Foreign Exchange Management Act, 1999 (FEMA) assets amounting to Rs. 289.28 crores have been seized under section 37A of FEMA and 01 Show Cause Notices to cryptocurrency exchange Zanim Labs Pvt Ltd, known as WazirX, and its Directors under FEMA for transactions involving cryptocurrencies worth Rs. 2,790.74 crore have also been issued.

(d) and (e) As per recommendations of the Financial Action Task Force, some countries regulate virtual assets and some others have banned them outrightly. Government is taking action on virtual digital assets as per the recommendation of the Financial Action Task Force.
