

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA UNSTARRED QUESTION NO.587
TO BE ANSWERED ON 24.07.2023

Regulation of Crypto Currency

587. SHRI KURUVA GORANTLA MADHAV:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is yet to introduce a comprehensive legislation for regulating crypto currency;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the lack of regulation for crypto currency has created legal ambiguities and resulted in unregulated transactions;
- (d) if so, the details thereof and the steps taken by the Government to address these issues; and
- (e) the tentative timeline for introduction of new legislation for regulating the crypto currency?

ANSWER

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

(a) to (e): There is currently no specific legislation for crypto assets in India. 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.

While the Government does not consider crypto-assets legal tender or coin, they are taxed under Income-tax Act, 1961 and different aspects of crypto assets are regulated under Information Technology Act, 2000, the Code of Criminal Procedure, 1973 and the Companies Act, 2013. Government vide notification dated 7th March, 2023 has also brought Virtual Digital Assets (VDAs) under the purview of the Prevention and Money-laundering Act, 2002 (PMLA) to bring the transactions involving VDAs within the ambit of PMLA.
