

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO.2170
ANSWERED ON 8.3.2021

Innovation in Currency Format

†2170. SHRIMATI MALA RAJYA LAXMI SHAH:
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to formulate any scheme for innovation in the prevailing currency form;
- (b) if so, the details thereof;
- (c) whether the Government proposes to introduce any new policy for bitcoin and if so, the details thereof;
- (d) the steps being taken by the Government to promote all other types of innovative currency transactions including digital transactions; and
- (e) the details of digital transactions during the last two years?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (c): It was announced in the Budget Speech for 2018-19 that "The Government does not consider crypto-currencies legal tender or coin and will take all measures to eliminate use of these crypto-assets in financing illegitimate activities or as part of the payment system. The Government will explore use of block chain technology proactively for ushering in digital economy." A high level Inter-Ministerial (IMC) constituted under the Chairmanship of Secretary (Economics Affairs) to study the issues related to virtual currencies (VCs) and propose specific actions to be taken in this matter recommended in its report that all private crypto currencies, except any cryptocurrency issued by the State, be prohibited in India. The Government would take a decision on the recommendation of the IMC and the legislative proposal, if any, would be introduced in the Parliament following the due process.

(d): In order to expand the digital transaction network, through Finance (No. 2) Act, 2019, amendment in sections 13A, 35AD, 40A, 43, 43CA, 50C, 56, 80JJAA, 269SS, 269ST and 269T of the Income-tax Act, 1961 was carried out to provide for carrying out transactions through other prescribed electronic modes apart from account payee cheque or account payee bank draft. Accordingly, vide notification no. 8/2020 dated 29th January, 2020, Rule 6ABBA has been inserted in the Income-tax Rules, 1962 to prescribe other electronic modes which include credit cards, debit cards, net banking, UPI, RTGS, NEFT, IMPS and BHIM Aadhar pay.

In order to ensure a transition towards cash less economy, to promote online transactions, including card transactions and to check and control frauds, Reserve Bank of India has taken various steps.

(e): As per the information furnished by Ministry of Electronics & Information Technology (MeitY), digital payment transactions have registered tremendous growth in India over the past few years. Digital Payment volumes have grown from 3,134 crore in FY 2018-19 to 4,572 crore in FY 2019-20.
