

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO. 2222
ANSWERED ON 08.03.2021

BAN ON BITCOIN TRADING

2222. SHRIMATI SUMALATHA AMBAREESH

Will the Minister of Finance be pleased to state:-

- (a) whether it is a fact that a ban was imposed on bitcoin trading in the country and if so, the details thereof;
- (b) whether other cryptocurrencies are still under the ban and if so, the details thereof;
- (c) whether it is true that despite the ban, illegal trading of cryptocurrency is still going on in the country;
- (d) if so, whether the Government proposes to issue strict guidelines in this regard keeping in view the risk involved therein; and
- (e) if so, the details thereof and, if not, the reasons therefor?

ANSWER

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

(a) to (c): In view of the risks associated with Virtual Currencies (VCs), including Bitcoins, Reserve Bank of India (RBI), vide circular dated April 6, 2018, had advised all the entities regulated by it not to deal in VCs or provide services for facilitating any person or entity in dealing with or settling VCs.

However, the Hon'ble Supreme Court, vide judgement dated March 4, 2020 in WP (C) No. 528 of 2018 and WP (C) No. 373 of 2018, had set aside the above circular dated April 6, 2018.

(d) and (e): It was announced in 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 Committee (IMC) Constituted under the Chairmanship of Secretary (Economic Affairs) to study the issues related to VCs and propose specific actions to be taken in this matter recommended in its report that all private

cryptocurrencies, except any cryptocurrencies issued by the State, be prohibited in India. The Government would take a decision on the recommendations of the IMC and the legislative proposal, if any, would be introduced in the Parliament following due process.
