

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOKSABHA UNSTARRED QUESTION NO.2864  
TO BE ANSWERED ON 21.03.2022

**Mechanism for Trading of Cryptocurrency**

2864: SHRI T.R.V.S. RAMESH:  
SHRI SRIDHAR KOTAGIRI:  
SHRI B.B.PATIL:  
SHRI SANJAY KAKA PATIL:

Will the Minister of Finance be pleased to state:

- (a) whether the Reserve Bank of India(RBI) has proposed any mechanism for trading of crypto assets and if so, the details thereof;
- (b) whether the Government proposes to define cryptocurrencies as securities or other financial instruments;
- (c) if so, the details thereof;
- (d) whether the Government has undertaken any steps to formulate transparent, regulatory measures for digital currencies/cryptocurrencies rather than the intended banning; and
- (e) if so, the details and the status thereof including the details of protection for investors that the same will involve?

ANSWER

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

(a): No Sir.

(b) to (e): Cryptocurrency sector is unregulated. The legal framework for the sector may be finalised only after all aspects are carefully examined in consultation with stakeholders concerned.

RBI has been cautioning users, holders and traders of Virtual Currencies (VCs) vide public notices on December 24, 2013, February 01, 2017 and December 05, 2017 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.