

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA UNSTARRED QUESTION NO. 2167  
TO BE ANSWERED ON 05.08.2024

Regulation of Virtual Digital Assets

2167 Shri G M Harish Balayogi:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has conducted any research/study/initiative into the present status of Virtual Digital Assets in circulation at present in the country;
- (b) if so, the details thereof along with the total valuation of Virtual Digital Assets held by Indian citizens;
- (c) the details and the total number of corporations, entities and/or exchange platforms recognized to be working with Virtual Digital Assets in any form/capacity over the last five years;
- (d) whether the Government has any proposal to bring legislation for regulating the sale and purchase of virtual digital assets in the country, if so, the details thereof and if not, the reasons therefor; and
- (e) whether the Government has considered setting up an oversight mechanism/authority to regulate virtual digital assets in the country, if so, the details thereof?

ANSWER

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

(a) to (c): Crypto assets or Virtual Digital Assets (VDAs) are unregulated in India and government does not collect data on these assets.

(d) & (e): Currently, there is no proposal to bring legislation for regulating the sales and purchase of virtual digital assets in the country. However, for specific oversight purposes such as Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT), the Financial Intelligence Unit India (FIU-IND) has been authorized to designate Virtual Digital Asset Service Providers (VDSAPs) as Reporting Entities (RE) under the Prevention of Money Laundering Act, 2002 (PMLA). Additionally, Law Enforcement Agencies (LEAs) have the mandate to address illicit activities under existing legal provisions.

Further, during India's Presidency of the G20 last year, the International Monetary Fund (IMF) and Financial Stability Board (FSB) Synthesis Paper, along with the 'G20 Roadmap on Crypto Assets,' was adopted. This Synthesis Paper provides a coordinated and comprehensive policy and regulatory framework for crypto assets, addressing the full range of risks, including those specific to emerging markets and developing economies (EMDEs). All jurisdictions, including India, are expected to evaluate their country-specific characteristics and risks, and engage with standard-setting bodies and the G20 to appropriately consider any necessary measures for crypto assets.

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