

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2253
TO BE ANSWERED ON 09.12.2024/Agrahayana 18, 1946 (Saka)

Rupee Digital Currency

2253. Dr. Thirumaavalavan Tholkappiyan:

Will the Minister of FINANCE be pleased to state:

- (a) whether Rupee Digital Currency is issued by Reserve Bank of India and guaranteed by the Central Government;
- (b) if so, whether any exercise has been done on pilot basis before full fledged implementation;
- (c) the schedule of its phased implementation;
- (d) whether the Government is aware of the use of other global crypto-currencies in Narcotic trafficking, Drug trafficking, illegal foreign exchange (Hawala) and Terror funding in the country; and
- (e) if so, the details thereof?

ANSWER

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

(a) : India's Central Bank Digital Currency (CBDC) (e₹) is issued by the Reserve Bank of India and guaranteed by the Central Government.

(b) to (c): Neither the CBDC-retail nor the CBDC-wholesale has been fully rolled out. The Reserve Bank of India (RBI) launched pilots for the Digital Rupee in the Wholesale segment (e₹-W) on November 1, 2022, and in the Retail segment (e₹-R) on December 1, 2022. As of now, no timeline has been set for the full-scale launch of the CBDC.

(d): Yes Sir.

(e): 'Police' and 'Public Order' are State subjects as per the Seventh Schedule of the Constitution of India. States/UTs are primarily responsible for the prevention, detection, investigation, and prosecution of crimes through their Law Enforcement Agencies (LEAs). At the national level,

LEAs have identified cases where crypto currencies have been linked to activities such as narcotics trafficking, drug smuggling, illegal foreign exchange operations etc. The Directorate of Enforcement is investigating several cases under the provisions of the Prevention of Money-laundering Act, 2002 (PMLA) wherein use of crypto currencies for money-laundering has been found. In 01 such case, it has been noticed that crypto currencies have been used for drug trafficking. Necessary action under the provisions of PMLA has been taken in this case by seizing crypto currencies (bitcoin) amounting to Rs. 130 crores (approx.). Additionally, proceeds of crime amounting to Rs. 9.67 crore have been attached. Further, 02 accused people were arrested and 02 prosecution complaints have been filed in this case. Further in 03 cases, it has been noticed that crypto currencies have been used for illegal forex exchange (hawala). Necessary action under the provisions of PMLA has been taken in these cases by seizing crypto currencies (USDT) amounting to Rs. 1.36 crore (approx.). Additionally, proceeds of crime amounting to Rs. 40.46 crore have been frozen. Further, 05 accused persons were arrested and 04 Prosecution Complaints (PCs) including 02 Supplementary PCs have been filed in these cases. Furthermore, the Narcotics Control Bureau, during its investigations, has observed instances where drug traffickers have used cryptocurrencies such as Bitcoin, Monero, XMR, USDT, TRX, and Ether.
