

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 1153
TO BE ANSWERED ON MONDAY, JULY 28, 2025/ SRAVANA 6, 1947 (SAKA)

Regulation of Cryptocurrency

1153. Shri Putta Mahesh Kumar:

Will the Minister of FINANCE be pleased to state:

- (a) whether the government has undertaken any study/survey regarding cryptocurrency usage in the country during the last five years;
- (b) if so, the details regarding the steps undertaken by the Government to recognise and regulate cryptocurrency in the country;
- (c) whether the Government has any plan to introduce any model guidelines/rules for regulation of cryptocurrency, if so, the details thereof and if not, the reasons therefor; and
- (d) whether the Government has taken any steps to raise awareness regarding cryptocurrency, especially in Rural/Tier-II/Tier-III cities of the country, if so, the details thereof and if not, reasons therefor?

ANSWER

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

(a) to (b): Crypto Assets are unregulated in India and government does not collect data on these assets. Notwithstanding this, government vide notification dated 7th March, 2023 has brought crypto assets/Virtual Digital Assets (VDAs) under the purview of the Prevention of Money Laundering Act, 2002 (PMLA) to bring the transactions involving VDAs within the ambit of PMLA. Further, Income from these assets is taxed under the Income-tax Act, 1961 and different

aspects of the VDA sector are regulated under the Information Technology Act, 2000. Additionally, Companies with exposure to crypto assets are required to disclose their holding of crypto assets in their financial statements as per the amendment brought in Schedule III to the Companies Act 2013, vide notification dated 24th March 2021 effective from 1st April 2021.

(c) to (d): Crypto Assets are by definition borderless and require significant international collaboration to prevent regulatory arbitrage. Therefore, any proposal for bringing model guidelines/rules can be effective only with significant international collaboration on evaluation of the risks and benefits and evolution of common taxonomy and standards. The Reserve Bank of India (RBI) has issued advisories warning users, holders, and traders of virtual currencies or crypto assets about the potential risks, including economic, financial, operational, legal, and security concerns. Further, 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.
