

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 1340
TO BE ANSWERED ON MONDAY, JULY 28, 2025/ SRAVANA 6, 1947 (Saka)

Regulations for Virtual Digital Assets (VDA)

1340. Shri Rao Rajendra Singh:

Will the Minister of FINANCE be pleased to state:

- (a) the steps taken by the Government to regulate cryptocurrency and other Virtual Digital Assets (VDA) like Non Fungible Tokens (NFT);
- (b) whether the Government has any plan to revise the 30 per cent tax on crypto gains and a 1 per cent tax deducted at source (TDS) on all transactions related to cryptocurrency to boost the VDA economy in the country;
- (c) whether the Government has any plans on launching Exchange Trade Funds (ETFs) for respective VDAs in order to integrate the aforementioned into mainstream financial markets, if so, the time by which it will be implemented and if not, the reasons therefor; and
- (d) the steps taken by the Government for protection of investors in the above said domain?

ANSWER

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

(a): The crypto assets sector, including Non-Fungible Tokens (NFTs), is currently unregulated in India. 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.

(b) to (c): At this stage, no such proposals are under consideration.

(d): 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.
