

Title: Regarding regulation of the Virtual Digital Assets (VDA) Sector

SHRI ABDUL KHALEQUE (BARPETA): The Tax Deduction at Source (TDS) mandate on transfer of Virtual Digital Assets (VDA) has inadvertently incentivised users to adopt foreign platforms. These channels are not only untraceable but also threaten India's national security. Virtual Digital Assets, offer a unique opportunity for India to drive the next generation of the internet. Encouraging this space is likely to contribute to the Indian economy in a significant way, driving employment, augmenting foreign investment and creating a larger number of unicorns than ever before. Policies should focus on allowing the ecosystem to grow in a controlled and regulated manner. Accordingly, it may help to reduce the TDS from 1%, and establish an Inter-Ministerial Committee to design effective regulation for the sector.