

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4591
ANSWERED ON:21.02.2014
VIRTUAL CURRENCY IN MONEY LAUNDERING
Bishnoi Shri Kuldeep

Will the Minister of FINANCE be pleased to state:

- (a) : whether the Government has examined the issues associated with the usage, holding and trading of virtual currencies including bit coins under the extant legal and regulatory framework of the country;
- (b) : if so, the details and findings thereof; and
- (c) : the remedial measures taken by the Government in the matter keeping in view the potential deployment of such currencies in money laundering, terror financing etc.?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (b) : The Reserve Bank of India is presently examining the issues associated with the usage, holding and trading of Virtual Currencies, including bitcoins, under the extant legal and regulatory framework of the country, including foreign exchange and payment systems laws and regulations.

(c) : Keeping in view the developments relating to certain electronic records claimed to be 'Decentralised Digital Currency' or 'Virtual Currency', such as Bitcoins, litecoins etc., their usage or trading in the country, and various media reports in this regard, RBI issued a Press Release on 24.12.2013, cautioning the users, holders and traders of virtual currencies, including bitcoins, about the potential financial, operational, legal, customer protection and security related risks that they are exposing themselves to. The public at large has been informed that the creation, trading or usage of virtual currencies as a medium for payment are not authorized by any central bank or monetary authority. No regulatory approvals, registration or authorization have been obtained by the entities concerned for carrying on such activities. As such, they may pose several risks to their users.