

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 141
TO BE ANSWERED ON 2ND FEBRUARY, 2018 / 13TH MAGHA 1939 (SAKA)

VIRTUAL CURRENCIES

QUESTION

141. Dr. C. Gopalakrishnan; S/Shri Sanjay Haribhau Jadhav; Manshankar Ninama; R. Dhruva Narayana; A. Arunmozhithevan; P.Nagarajan; Sunil Kumar Singh; Chandrakant Khaire.

Will the Minister of **FINANCE** be pleased to state :

- (a) whether the online trading of crypto-currencies / bitcoin has increased rapidly in the country in the recent past, if so, the details thereof and the reaction of the Government thereto;
- (b) whether the Government has any data on the volume of trade being transacted through crypto-currencies/ bitcoins in the country, if so, the details thereof along with names of crypto-currencies not recognized but are being used for trade purposes;
- (c) whether the Reserve Bank of India/ Government has raised concerns about the Bitcoin / virtual currencies and has sought inputs on bitcoin regulation from public followed by constitution of an Inter-Disciplinary Committee to look into the matter and suggest measures to dealing with such currencies, if so, the details thereof along with the outcome of the inputs/ recommendations thereof;
- (d) whether the Government is planning to enact a law/ amend the present law with regard to virtual currency and close the regulatory gaps to keep a check on virtual currencies including bitcoins, if so, the details thereof and the timeline for such enactment/ amendment of law; and
- (e) whether the Government is considering to declare bitcoin as illegal and the Income Tax Department has issued notices to people who have invested their money in crypto-currencies / bitcoins, if so, the details thereof along with the measures taken by the Government to keep a check on illegal activities through bitcoin including action taken by the Government against the erring Bitcoin exchanges in the country and ensure consumer protection ?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI Pon. RADHAKRISHNAN)

- (a) to (b) : The Government doesn't maintain data related to trading of Crypto Currencies/ Bitcoins.
- (c) to (d) : The Department of Economic Affairs had constituted an Inter-Disciplinary Committee to take stock of the present status of Virtual Currencies. The committee invited feedback from public and submitted its report. Subsequently, a Committee under the Chairmanship of Secretary, Department of Economic Affairs has been constituted for deliberating over all issues related to virtual currencies to propose specific actions to be taken. The Government has issued a statement on December 29, 2017 cautioning the people against the risks of investing in virtual currencies. The Reserve Bank of India has also cautioned the users, holders and traders of Virtual Currencies from time to time, about the potential financial, operational, legal, customer protection and security related risks.
- (e) : The Income Tax Department has conducted surveys u/s 133A of the Income-tax Act, 1961 on several Bitcoin/ Crypto currency exchanges located in Bengaluru, Mumbai, Delhi, Pune and Hyderabad on 13-12-2017 in the normal course to collect data on participants in Bitcoin/ Cryptocurrency transactions, for verification. Notices under the Income-tax Act, 1961 have been issued in appropriate cases.
