

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 3089**  
ANSWERED ON 23.03.2021

**Threats of cryptocurrency**

3089. Shri Parimal Nathwani:

Will the Minister of Finance be pleased to state:-

- (a) the threats of private cryptocurrencies such as Bitcoin to Indian economy;
- (b) whether Bitcoin is traded in the country in clandestine manner and has come to the notice of Government; and
- (c) if so, the details of steps taken or being taken to curb illegally trading in cryptocurrencies?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)

(a), (b) & (c): RBI has cautioned users, holders and traders in virtual currencies (VCs) including Bitcoins regarding various risks associated in dealing with such VCs through its public notices issued in December 2013, February 2017 and December 2017. Further RBI issued a circular dated April 6, 2018 advising that entities regulated by the RBI shall not deal in VCs or provide services for facilitating any person or entity in dealing with or settling VCs. However, the Hon'ble Supreme Courts vide its judgement dated March 4, 2020 has set aside the circular of RBI. Further, it may be mentioned that it was announced in the Budget Speech for 2018-19 that "The Government does not consider cryptocurrencies legal tender or coin and will take all measures to eliminate use of these crypto-assets in financing illegitimate activities or as part of the payment system. The Government will explore use of block chain technology proactively for ushering in digital economy." A high level Inter-Ministerial Committee (IMC) constituted under the Chairmanship of Secretary (Economics Affairs) to study the issues related to virtual currencies (VCs) and propose specific actions to be taken in this matter recommended in its report that all private crypto currencies, except any cryptocurrency issued by the State, be prohibited in India. The Government would take a decision on the recommendation of the IMC and the legislative proposal, if any, would be introduced in the Parliament following due process.

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