

Bitex becomes first exchange to provide mandatory cryptocurrency investment disclosure

Retail, Institutional investors to get report on their holdings and investment for tax and compliance purposes as per latest amendments in Companies Act 2013

Mumbai, April 20, 2021: Global Cryptocurrency Exchange Bitex announced that it has commenced providing Investment Declaration Report for all its retail and institutional investors, becoming the first Exchange in India to comply with the recent amendments made to the Companies Act 2013 by Ministry of Corporate Affairs.

Earlier this month, the Ministry of Corporate Affairs had sought full disclosure of crypto transactions and holdings by companies making it mandatory for companies to declare cryptocurrency investments. The Government has earlier also indicated that the income from cryptocurrency gains will be taxable under the Income Tax Act, 1961.

The report can be submitted for tax purposes by individual investors as well as by companies and can be used to prepare financial statements as stipulated by the government. To enhance transparency into the cryptocurrency trading, the exchange will also support regulators as per disclosure rules under the Companies Act.

Bitex Founder and CEO Monark Modi said, “As cryptocurrency becomes a mainstream investment asset it is important that standard procedures that are applicable to any other investment grade asset be applicable to Digital Assets. The recent directions by the Government clearly pave the way for a transparent functioning of cryptocurrencies in India and also help retail and institutional investors to confidently go ahead to trade or hold cryptocurrencies. Similar practices are now commonplace in other major crypto markets in the world and Bitex is committed to supporting investors and regulators with the necessary framework that will boost the market in India.”

Bitex’s move will support the Government’s aim of verify business investments in cryptocurrency and transfer of funds. For businesses, it will improve the transparency in financial statements as the figures provided by the exchanges can be tallied by the auditors before their final document is submitted. The reports can be included in the profit and loss statements and balance sheets submitted by the companies at the end of the year.

In the United States, crypto assets are categorized as a property and are liable to be taxed as a short term or long term capital gains depending on the duration for which the asset is held. For any gains or losses made for a duration less than a year are taxed in the income tax bracket the investor lies in. Any gains or losses made from a crypto asset held any longer than a year incurs lower than 20 per cent tax depending on individual or combined marital income. In India, until now there has been no data available with the IT department, and the recent move will certainly help the department to assess tax liability of cryptocurrency investors.



About Bitex

Founded in 2018 in UAE, Bitex is a leading digital currency exchange and a professional trading platform that operates in global markets including India. Bitex provides mobile and web platform to invest and trade in digital assets with a matching engine that can handle up to 1 million transactions per second. Through its secure cryptocurrency wallet, users can send and receive digital assets to third party wallets. The digital asset exchange provides advanced charting tools, order books and one-click trade options and a derivatives platform that offers quarterly futures trading contract and margin trading. Bitex is a fully regulated and compliant financial exchange which follows a stringent Anti-Money Laundering (AML) and Know Your Customer (KYC) policy.

Website: <https://bitex.com/>

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