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I-T dept surveys 'extremely routine', says bitcoin exchange Coinsecure

Coinsecure says income tax department officials had requested data to try and analyse taxability of bitcoin and cryptocurrencies



Bitcoin, the most popular cryptocurrency, has seen its price surge more than 21-fold in the past one year. Photo: Bloomberg

Mumbai: Bitcoin exchange Coinsecure on Thursday said that senior officials from the income tax department conducted a survey across its Delhi and Bengaluru offices to understand the state of the cryptocurrency industry in India.

On Wednesday, the income tax department conducted surveys at several bitcoin exchanges across the country, including Coinsecure.

Coinsecure said income tax department officials were trying to understand Bitcoin and cryptocurrencies and their users.

"The officials had requested data to try and analyse taxability of bitcoin. Everything was extremely routine and all exchanges in India have gone through the same process cooperating and coordinating with the authorities," according to the release.

Bitcoin, the most popular cryptocurrency, has seen its price surge more than 21-fold in the past one year.

Other bitcoin exchanges such as ZebPay and Unocoin have remained silent on the development.

According to Nishith Desai, founder of Nishith Desai Associates, there is no regulation on bitcoins, and it is considered a democratized system. Hence, for bitcoin exchanges too, it takes time to take a stand.

"This requires deeper understanding. Prices have also gone through the roof. You can't take one view on this development," he said.

"The best approach would be to allow industry to have self-regulation with SEBI (or some other authority like a payment regulatory body) oversight. People should get some clarity," Nishith Desai added.

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