

Petitions to End RBI Crypto Banking Ban Advancing in India

REGULATION (by **Kevin Helms** (<https://news.bitcoin.com/author/kevin-helms/>)

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A lawyer representing the Internet and Mobile Association of India in its writ petition against the RBI banking ban has shared new details of the progress to lift the ban with news.Bitcoin.com. The supreme court recognizes the urgency of hearing the RBI case without waiting for the Indian government to introduce crypto regulation.

Also read: [Indian Supreme Court Moves Crypto Hearing, Community Calls for Positive Regulations](https://news.bitcoin.com/indian-court-crypto-hearing-positive-regulations/)

The Urgency of Hearing RBI Ban Case

The Indian supreme court is hearing two crypto-related issues. The first concerns the crypto banking ban by the country's central bank, the Reserve Bank of India (RBI). The other concerns the Indian government's cryptocurrency regulation, lawyer Jaideep Reddy explained to news.Bitcoin.com on Monday.

He represents the Internet and Mobile Association of India (IAMAI), on behalf of Nishith Desai Associates, in its writ petition against the RBI circular in the country's supreme court. The IAMAI is an industry body whose members include a number of local crypto exchanges. In its circular dated April 6 last year, the central bank banned (<https://news.bitcoin.com/indian-crypto-exchanges-rbi-ban-trading-tools-no-fiat/>) financial institutions under its control from providing services to crypto businesses.



In the latest supreme court hearing (<https://news.bitcoin.com/indian-supreme-court-crypto-case-rbi/>), "The matter was actually heard for a reasonable period of time," said Reddy, who represented the IAMA in that hearing.

The petitioners' counsel told the court that "the constitutionality of the RBI circular is a separate issue from the government of India committee's decision" on crypto regulation (<https://news.bitcoin.com/indian-government-updates-cryptocurrency-regulation/>), he recalled. "The court in the last hearing appreciated that the issues regarding the RBI circular on the one hand, and the larger government policy decision on the other, were separate." He continued:

After hearing IAMA, it observed that the exchanges' businesses are nearly shut as a result of the RBI circular, and that, therefore, the issue of the validity of the circular needs to be heard and decided without waiting for the government committee's overall policy recommendation. The counsel for the RBI agreed to this approach.

"As of now, the petitioners have been pressing for the issues on the RBI circular to be heard," the lawyer reiterated, noting that "the court needs to decide whether the circular is legally and constitutionally valid or not."



While the judges orally observed that the matter should be placed on the top of the list and on a Tuesday, the official order only states that it will be listed in the last week of February. The exact date and order of listing will become known once the official list is released closer to the last week of February.

"We hope for a detailed hearing in which the court will hear all the arguments for and against the RBI circular and ultimately decide whether to uphold it or not," the advocate concluded.



Petitions to Be Heard

The media reported that several petitions (<https://news.bitcoin.com/petitions-indias-crypto-crackdown-high-courts/>) had been filed against the RBI ban. Reddy shared with news.Bitcoin.com:

There are at least 5 petitions currently pending in the supreme court in connection with crypto-assets. Of these, 3 challenge the legal and constitutional validity of the RBI circular while 2 are public interest litigations on the broader issue of the need for crypto-asset regulation.

He emphasized that "IAMA's petition only challenges the RBI circular." While noting that "The petitions are simultaneously listed so there is no concept of any petitioner leading the others," he also pointed out that "Generally, the seniority of the counsel influences who leads the arguments on a particular day."



Counter-Affidavits Filed by Government

The media also reported that the RBI had filed a counter-affidavit (<https://news.bitcoin.com/indian-supreme-court-government-cryptocurrency-report/>) with the supreme court. Reddy confirmed to news.Bitcoin.com that “The RBI has filed a counter-affidavit responding to the IAMAI petition,” adding that “It cites various concerns associated with crypto-assets.” He elaborated:

We have responded in detail to the RBI’s counter-affidavit by filing a rejoinder on behalf of IAMAI responding to each point. In our view, the mere fact that crypto assets have certain risks does not warrant a complete banking embargo.

The advocate further explained: “Crypto assets also have benefits and are essential to the success of blockchain technology. The constitution requires that restrictions on fundamental rights be reasonable and proportionate.”

There is another counter-affidavit filed with the supreme court, Reddy conveyed. “The Union of India (i.e., the federal government) filed a counter-affidavit in some of the other petitions regarding the status of the government committee’s deliberations on the legal issues surrounding virtual currency,” he noted. “No date was given by which the ultimate report would come out. However, the counter-affidavit states that a draft report and draft law are soon expected to be placed for the consideration of the committee.”

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