

# Govt should develop robust regulatory mechanism for cryptocurrency: IMAI



Skeptics view the digital asset's more than 300% surge over the past year as a risky bubble fueled by investors chasing the momentum in crypto prices.

1 min read . Updated: 10 Mar 2021, 01:11 PM IST

**Ayushman Baruah**

▪ Given the scale and diversity, the good governance and regulation of the cryptocurrency ecosystem in India is critical and will give impetus to the Government of India's Digital India vision, IMAI said



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Bengaluru: The government should develop robust mechanisms to regulate the **cryptocurrency** ecosystem in India, the Internet and Mobile Association of India (IMAI) said on Wednesday, appealing to the Centre not to ban the digital currency.

**Cryptocurrency** has been generating jobs across a variety of functions – legal, compliance, technology, marketing, business development, finance, etc. – in India and abroad. “Given the scale and diversity, the good governance and regulation of the cryptocurrency ecosystem in India is critical and will give impetus to the Government of India’s Digital India vision,” IMAI said in a statement.

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India is also witnessing a considerable rise in digital assets. According to IAMA, the crypto community consists of over 10 million crypto holders with over \$1 billion worth crypto assets, 300+ startups generating thousands of jobs, and millions of dollars in revenue and taxes with a daily trading volume of \$350-500 million.



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“The proposed move to ban will have an adverse impact leading to loss in investments and hitting 10 million Indian crypto customers. Hence, we are urging the government to define the cryptocurrency regulation framework after due consultation with IAMA and stakeholders such as India crypto-asset user groups and the exchanges that facilitate buying and selling,” IAMA said.

The government has listed the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 for introduction, consideration and passing in the current session of Parliament.

“US, Japan and other developed countries have a positive outlook towards crypto and are considering setting up of regulations for crypto. India should develop balanced and positive crypto regulations that will both ensure consumer protection as well as lead to more startups building in blockchain, more jobs, wealth creation for investors, and more tax revenue for the government,” said Nishith Desai, founder, Nishith Desai Associates.



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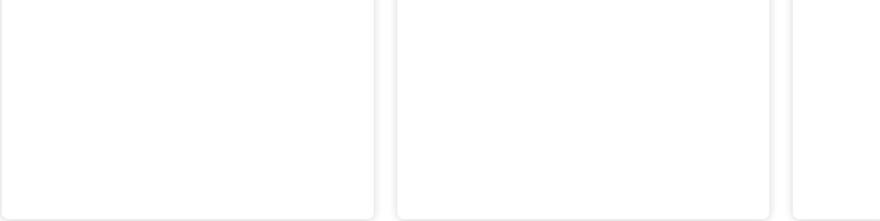
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**Addressing** the challenges faced by the industry, Sumit Gupta, CEO & cofounder, CoinDCX said that crypto industry in India consists of entrepreneurs from premier institutes who have



“Crypto is a \$1.5 trillion dollar industry. Keeping in sync with our Prime Minister’s Aatmanirbhar Bharat campaign, it is important that India remains competitive in the public blockchain ecosystem which cannot exist without crypto,” said Nischal Shetty, founder & CEO, WazirX.