



1. BACKGROUND 1.1 Cryptocurrencies have been in the news for quite some time. The fall in the crypto market in 20223 triggered mayhem amongst investors, with the latest episode being the collapse of the crypto currency exchange FTX. While crypto assets have been in existence⁴ for more than a decade, the rules to regulate it are still evolving across the globe. 1.2 Before we delve into the evolvement of crypto laws in India, let us understand what cryptocurrency is. While no uniform definition exists for 'cryptocurrency', in simple terms, it is any form of currency that exists digitally or virtually and uses cryptography to secure transactions. This makes it difficult to counterfeit or double spend. It is based on a distributed ledger technology called blockchain, which is open and records all transactions in code. They are different from fiat currency as typically th.....