

Bitcoin players join hands to regulate Indian cryptocurrency mkt

Moneycontrol Bureau

Bitcoin startups Zebpay, Unocoin, Coinsecure and Searchtrade on Thursday jointly launched Digital Asset and Blockchain Foundation of India (DABFI) for the orderly and transparent growth of virtual currency market. Nishith Desai Associates, an international law firm has been appointed to develop self-regulations for the industry.

A committee spearheaded by Saurabh Agrawal, CEO of Zebpay comprising Sandeep Goenka (Zebpay), Mohit Kalra (Coinsecure), Sathvik Vishwanath (Unocoin) and Vishal Gupta (Searchtrade), among others will develop rules for the bitcoin industry.

DABFI will lay down self-regulatory regimes for trading of bitcoins and other blockchain based digital assets. It will also standardise KYC/AML/STRS norms for the member companies.

Apart from this, the organisation will build credibility and create awareness about the benefits and risks of CC, liaise with regulators and get clarity on taxation, attract investment and set up incubators to promote startups, build global relations and actively engage with International community, create a public website and regularly print reports on and around bitcoins and blockchain.

Addressing mediapersons at an event in Mumbai, Zebpay's Agrawal said: "This organisation aims to drive education and create market for blockchain and bitcoin in the Indian market which is now on the path of digital economy. Our vision would be to work with regulators and develop strong framework for our industry to provide required impetus for the growth of the industry."

Nishith Desai of Nishith Desai Associates which provides legal support to DABFI said: "Bitcoin and other cryptocurrencies (CC) have tremendous benefits for most marginalised people, merchants, tax departments and regulatory authorities. It has better price discovery, is anti-inflationary and the transactions are irreversible."

"Under the current banking system the poor, currently pay heavy transaction fees for sending small amounts of money to their families in rural areas. In contrast, there is no or very low fee for large transactions. So, the current system is loaded in favour of the rich," he added.

Saurabh Agrawal added: "It is absolutely important to check the 'bad' use of CC. Industry has to play an important role in shaping the future of CC and blockchain. Almost no country including India has declared Bitcoins or CCs as per se illegal. And therefore we (DABFI) believe that it is our responsibility to self-regulate itself strictly to check any 'bad' use of the new system, work with the regulatory authorities and create awareness about the benefits of CC."

"Bitcoins and virtual currencies, just like any other cash, are known to be also used for illicit purposes. The virtual currency transactions are more traceable than the cash. Often that gets more highlighted than its benefits," Desai said.

Sathvik Vishwanath of Unocoin said the price of Bitcoin has gone up from 450 USD per Bitcoin in February 2016 to 1100 USD in February 2017 Per Bitcoin. DABFI would also warn ordinary people who do not understand the digital currency market not to be lured into trading Bitcoin as is volatile."