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India May Take to Bitcoin if Currency Note Squeeze Continues

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The phones of Indian Bitcoin companies have been ringing non-stop ever since the Indian Government began faltering in replacing the outlawed currency notes while search queries on Google Trends have hit an all-time high.

New Delhi (Sputnik) — India's bitcoin exchange companies have been getting frantic calls from people after the Government outlawed high value currency notes. It has also put a cap on bank deposits and exchange of old bills but has been shifting the goal posts to end long waiting times at banks and ATMs. Search queries around 'Bitcoin' on Google Trends have hit an all-time high.



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Following Demonetization, Many Indian Men Unable to Pay Alimony, Face Prison

ZebPay and Unicoïn say they have turned down customers interested in investing huge amounts in the crypto-currency. But experts feel the lack of specific regulations can make Bitcoin a major facilitator of money laundering, tax avoidance and evasion, drug trafficking, blackmailing and terrorist financing.

"This arena of virtual transitions is relatively novel and largely untested. This means that just like any new technology or innovation there is a high possibility of loopholes that have not been detected yet. Most prominent of these offences which are already existent in the traditional financial world and which may extend to Bitcoin are money laundering and terrorist financing," said the research paper Bitcoins — A Global Perspective, which was published in April 2015 by Nishith Desai Associates, a global legal consultancy.

The Reserve Bank of India (RBI), in a warning noted "The absence of information of counterparties in such peer-to-peer anonymous/ pseudonymous systems could subject the users to unintentional breaches of anti-money laundering and combating the financing of terrorism laws."

There is no prohibition to mining, trading and transfer of Bitcoins in India. Bitcoin does not come under the ambit of currency, legal tender or foreign exchange and the RBI hasn't come up with guidelines on this yet, except for the warning it issued in December 2013.