

Court Corner

March 05, 2020

LANDMARK SUPREME COURT JUDGMENT PAVES WAY FOR VIRTUAL CURRENCIES IN INDIA

The Supreme Court of India in *Internet and Mobile Association of India v. Reserve Bank of India* (Writ Petition (Civil) No. 528 of 2018) on March 4, 2020 set aside the Reserve Bank of India (RBI) circular on virtual currencies dated April 6, 2018. The circular prohibited banks and other RBI-regulated entities from facilitating virtual currency transactions. The Court found that the circular was a disproportionate restriction on fundamental rights, since, among other reasons: (i) the RBI had not shown that virtual currency trading was harming its regulated entities, (ii) virtual currency trading is an activity not banned under any law, and (iii) there was no finding of any defect in the manner that virtual currency exchanges operate. The Court found that the banking system was the lifeline of virtual currency exchanges. After the judgment, banks are no longer prohibited from facilitating virtual currency transactions, subject to existing due diligence norms.

Nishith Desai Associates (NDA) is privileged to have represented the Internet and Mobile Association of India (IAMAI), which is the industry body representing virtual currency exchanges in India, in the matter. NDA briefed arguing counsel Mr. Ashim Sood, and was assisted by Advocates on Record Gohil and Singh Law Chambers. The detailed judgment is available [here](#).

NDA also intends to jointly host a webinar with IAMA in the near future to discuss the implications of the judgment and the way forward. Please let us know if you would be interested in participating by replying to this mail.

NDA has been at the forefront of the crypto-asset and blockchain space in India since 2013. In 2018, the firm submitted its independent regulatory suggestions to the Government of India in a paper titled, '*Building a Successful Blockchain Ecosystem for India: Regulatory Approaches to Crypto-Assets*', authored by Mr. Nishith M. Desai, Mr. Vaibhav Parikh, and Mr. Jaideep Reddy, lawyers at the firm, proposing detailed regulatory approaches that the industry and government may take towards crypto-assets. The detailed paper is available [here](#). The firm looks forward to further contributing towards a responsible blockchain and crypto-asset ecosystem in the country going forward.

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

FAQs on Setting Up of Offices in India

December 13, 2024

FAQs on Downstream Investment

December 13, 2024

Gaming Law 2024

December 12, 2024

Research Articles

The Revolution Realized: Bitcoin's Triumph

December 05, 2024

The Bitcoin Effect

November 14, 2024

Acquirers Beware: Indian Merger Control Regime Revamped!

September 15, 2024

Audio

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part I

August 26, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

"Investment return is not enough" Nishith Desai with Nikunj Dalmia (ET Now) at FI18 event in Riyadh

October 31, 2024

Analysing SEBI's Consultation Paper on Simplification of registration for FPIs

Scope of judicial interference and inquiry in an application for appointment of arbitrator under the (Indian) Arbitration and Conciliation Act, 1996

September 22, 2024