

## Block chain and Bitcoin: The legal Dynamics of Cryptocurrency

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### ABSTRACT

*Did we ever think about easier transactions? Did we ever think about transactions from one bank account to another without any hurdles and blockages? blockchain technology has answers to all these doubts and questions in a very clarified manner. When we talk within the ambit of India, we tend to see that this technology has not been a huge part of digital era till the time the project NITI Aayog was in the move by the Government. Along with the start-up project of digital era, the blockchain which is linked with the cryptocurrency especially bitcoin has been a part of good strategic talks along with its applications. The design of the paper has been done in such a manner which gives a clear and precise idea about the legislative framework, history, evolution and the role of the blockchain technology in the digitalized era. Quite possibly the most common instances of digital currency is Bitcoin which is acquiring notoriety in India from time to time even with limitations upon it to utilize in India. The primary trouble to utilize these cryptographic forms of money is its security discussion. These advanced coins are not so much ensured as the individuals might suspect they are. The subsequent trouble looked by numerous individuals is the variety issue of the cash is not referred to anyone as it is unsure. Anything which differs so much is the most ineffectual thing to utilize.*

Keywords: Cryptocurrency, Future, Limitations, History, Role.

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**INTRODUCTION**

In simplified manner, the blockchain technology has given a path to complete the online transactions without the support of online wallets, banks and third- party applications. For example: a daily life situation where there are four people who have to pay money to one of the members of the group itself. Now, suppose one person pays the money through online wallet and the transaction is successfully completed. In the same manner, the other two persons respectively sent their money to the first person but unfortunately their transaction was failed. We can even take an example a google document or a google form. When the link is created for one of these and these documents are to be shared then instead of a copy or document in the format of the link. The original google document gets transferred to numerous amount of individuals and in fact every person is able to access and open the document particularly at the same time. Here, it when comes the role of blockchain technology. Though it has more clear analogy but at the same time the exemplification hereinabove explains a part of the concept.

Cryptocurrency is digital money which is an advanced form money and sustains in a mechanized form. That infers there's no genuine coin or bill — it is everything on the web. You can move advanced cash to someone online without a go-between, like a bank. Bitcoin and Ether are prominent advanced types of cash; anyway new cryptographic types of cash is being made continually. People may use computerized types of cash for quick portions and to dodge trade costs. Some may get advanced monetary forms as a hypothesis, believing the value goes up. You can buy cryptographic cash with a charge card or, occasionally, get it through a cycle called "mining." Cryptocurrency is taken care of in an electronic wallet, either on the web, on your PC, or on other gear. Before you buy computerized cash, understand that it doesn't have comparable protections as when you are using U.S. dollars. Similarly that cheats are mentioning that people pay with computerized cash since they understand that such portions are consistently not reversible.<sup>1</sup>

Bitcoin is one of the cryptocurrencies in itself and is an innovative payment network also a new kind of money. Bitcoin uses conveyed development to work with no central force or banks; administering trades and the giving of bitcoins, is done all things considered by the association. It is an open-

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<sup>1</sup> Sunidhi Kashyap & Dr. Kuldeep Chand, Impact of Cryptocurrency in India, Occupational Foundation, <https://www.ijlmh.com/wp-content/uploads/2019/05/Impact-of-Cryptocurrency-in-India.pdf> (Last visited on 25th January, 2021)

source; its arrangement is public, nobody has controls and thus anyone can partake. Through a significant parcel of its unprecedented properties, bitcoins even give different pavements of payment to individuals and citizens of a country. It has several advantages being; mobile payments have been made easier, individuals have security and control over their money, works everywhere and at any point of time, faster international payments, individuals can protect their own identity.

Blockchain technology is basically a Distributed Ledger Technology (DLT), makes the history of any digital asset unalterable and transparent through the use of decentralization and cryptographic hashing. Basically, there are three ideas which explain the technology in a very precise manner and give the details about the critical ideas of the technology. They are as follows:

1. The resource is decentralized, permitting full ongoing access.
2. Digital assets are distributed instead of being copied or transferred.
3. A transparent ledger of changes preserves integrity of the document, which engraves trust in the assets.

Though the technology is interlinked amongst the three mentioned terms i.e., cryptocurrency, block chain and bitcoin being one of the cryptocurrencies still the blockchain technology has immense number of usages in the of fields such as Ethereum blockchain which is beyond bitcoin, tokens and blockchain applications.

## **ROLE PLAYED IN INDIA: (HISTORY & EVOLUTION)**

Cryptocurrency can be traced as a written construction back in the days of its first digital substitute currencies. In the beginning cryptocurrency advocated common ambition of applying maths and computer science assumption to clarify what they attain as realistic and political weak points of the traditional “fiat” currencies. There are variety of reasons why cryptocurrencies have always tended to attract attention of individuals for different point of views such as investments, etc. Individuals see cryptocurrencies such as Bitcoin as the money of what might be on the horizon and are running to get them now, evidently before they become more significant in the terms of market, a couple of supporters like the way that advanced money takes out public banks from managing the money supply, since as time goes on these banks will all in all reduce the assessment of money through development, various individuals like the advancement behind cryptocurrencies, the blockchain,

because it's a decentralized planning and recording structure and can be more secure than ordinary portion systems. A couple of inspectors like computerized types of cash since they're going up in regard and have no income in the money related principles' draw out affirmation as a way to deal with money.

Bitcoin is the digital money which is overall instalment framework. It is the cash which is decentralized computerized money as the national bank framework not worked in this and there is no manager which is single in it. There is shared system administration and all the exchange of advanced money occurred with no help of mediator. The exchanges which happened are appropriately checked by the organization codes which use unique sort of cryptography and blockchain record has been made for the record of the public appropriation. An obscure individual or gathering of individuals delivered the Bitcoin and it made the product which is open source in the year 2009. This digital currency is utilized as a cycle of compensating which is known as mining. It can be utilized for as a means of trade for different monetary standards, items and administrations. More than one lakh vendors and merchants acknowledged bitcoin as an instalment technique from February 2015.

When we go down the lane in the history, evolution and role played by bitcoin being the cryptocurrency, there is not much good impact in India of bitcoins. Both of them are the best available privacy and anonymity protecting tools. Tor is used for browsing and Bitcoin for the transaction. It becomes almost impossible to trace either of those things. Let us say that you surfed a deep web version of amazon to buy something illegal. You most certainly don't want to get caught in any way. You use Tor to access that site so that the browser won't leave any trails or history or cookies. You found your product and want to buy it. Our standard secure banking can be easily traced. So, bitcoin, which uses a massively encrypted and mathematically complicated method of payment, helps you in keeping your payment safe, sound, and untraceable.

Many hackings that take place in India ask for payments through Bitcoins as anonymity is maintained. Many of these hackings go unreported as companies do not want to 'damage' their reputation. But the tremendous ransomware opened the eyes to the truth behind the bitcoins to the world.

India used the blockchain technology during the project named as NITI Aayog and defined the strategy and process of the technology. A list of records / transactions, like a ledger, that keeps

growing as more entries are added; Copies of the entire database are stored on multiple computers on a network, syncing within minutes / seconds; records stored in the database may be made visible to relevant stakeholders without risk of alteration; malicious actors (hackers) can no longer just attack one computer and change any records; the mathematical algorithms make it impossible to change / delete any data once recorded and accepted. Hence, this project played a crucial role while translating fundamental characteristics into generic features. For example; electronic, not liable to anyone and peer to peer exchange have been translated into some of the generic features respectively such as easily accessible, digitally in use, never requires the party established trust (as it is in-built) in fact it's one of the paradigms is entrusting and decentralized in nature. In the context of economic potential of blockchain by industrial sectors, this technology played a pragmatic balance as it is viewed as an innovation with the possibility to change practically all businesses and economies.

It is assessed that blockchain could produce USD3 trillion every year in business esteem by 2030. The World Economic Forum (WEF) envisions that 10% of the worldwide GDP will be put away on blockchain by 2025 and records blockchain as one of 7 innovations that are foreseen to change different parts of our lives. While blockchain is as yet a beginning innovation that has seen appropriation at a restricted scale, its vital esteem in the present moment towards smoothing out cycles, diminishing shortcoming, cost improvement and so forth can't be invalidated. Significant investment funds can be accomplished in asset protection by decreasing delegates just as authoritative exertion of record keeping and exchange compromise. This can move the progression of significant worth by catching lost incomes and making new incomes for blockchain service suppliers. According to a report by McKinsey, potential worth made would vary from area to area, with the public area maybe best situated to exploit from the point of view of expected effect and plausibility to application.<sup>2</sup>

## **LEGAL OBLIGATIONS**

After the launch of Bitcoin, a number of cryptocurrency exchanges began to operate in India and they were working in what we call is a regulatory vacuum. There were no regulations and no clear explanation and definition, explaining the use of cryptocurrency. Also no law that was prohibiting

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<sup>2</sup> Arnab Kumar, Tanay Mahindru, Punit Shukla and Aalekh Sharan, Blockchain: The India Strategy, Blockchain: The New Trust Paradigm, [https://niti.gov.in/sites/default/files/2020-01/Blockchain\\_The\\_India\\_Strategy\\_Part\\_I.pdf](https://niti.gov.in/sites/default/files/2020-01/Blockchain_The_India_Strategy_Part_I.pdf) (Last visited on 20th January, 2021)

for regulating its use. This created the situation of a vacuum where all the cryptocurrency exchanges were working until April 2018 when the Reserve Bank of India issued a circular which did not ban the cryptocurrencies themselves but the provision of banking services was banned to any person who was dealing with such currencies. So any person who was dealing in cryptocurrency will not be given banking services as issued by the circular provided by the reserve Bank of India.<sup>3</sup>

The cryptocurrency exchange was not directly stopped from working or not banned by RBI rather it was almost impossible for people to use it in the Indian subcontinent. The supreme court in the case of *Internet and Mobile Association of India vs RBI*, quashed the RBI circular. The circular issued in April 2018 banned entities including banks from dealing with individuals and all companies that traded in cryptocurrencies which eventually resulted in the virtual currency market to come to a standstill in India. It limited<sup>4</sup> the transaction only to a barter transaction in the Indian subcontinent while transfer of currency can happen but the currency cannot be used to buy anything.

Cryptocurrency enthusiasts everywhere the planet are thirstily waiting to visualize what India can do concerning cryptocurrency. The Indian government has been sitting on a draft bill that seeks to unconditionally ban cryptocurrencies, except state-issued ones, since last year. The “Banning of Cryptocurrency and Regulation of Official Digital Currency Bill 2019” was written by an inter-ministerial committee (IMC) tasked with finding out all aspects of cryptocurrency and providing recommendations for India’s crypto policy. The IMC was headed by former Finance Secretary Subhash Chandra Garg who has since resigned from his position in government. still, he still holds and read that cryptocurrencies have “a terribly short future,” basic cognitive process that they're “essentially good-for-naught codes.”<sup>5</sup>

The bill conjointly provides for the tally to issue a financial organization digital currency. The tally has already been wanting into this space, Governor Shaktikanta Das discovered in December last year.

WORDS SPEAK

<sup>3</sup> Tara Mandjee, Bitcoin, its Legal Classification and its Regulatory Framework, Regulation of Bitcoin in Other Jurisdictions, <https://digitalcommons.law.msu.edu/cgi/viewcontent.cgi?article=1003&context=jbsl> (Last visited on 19<sup>th</sup> January, 2021)

<sup>4</sup> Global legal Insights, Blockchain & Cryptocurrency Regulation 2021, Virtual Currency Regulation, <https://www.globallegalinsights.com/practice-areas/blockchain-laws-and-regulations/india> (Last visited on 20<sup>th</sup> January, 2021)

<sup>5</sup> LOC Law, Regulation of Cryptocurrency around the world, Regulation of Cryptocurrency, <https://www.loc.gov/law/help/cryptocurrency/world-survey.php> (Last visited on 18<sup>th</sup> January, 2021)

The bill also provides for RBI to issue a central bank digital currency. The RBI has already been looking into this area, "As and when the technology evolves with adequate safeguards, I think it is an area where the Reserve Bank will certainly look at seriously at an appropriate time," the governor said.

## JUDICIAL APPROACH

The supreme court case in the case judgement of *Internet and Mobile Association of India vs. Reserve Bank of India*<sup>6</sup>, Analyse the role of Reserve Bank of India with respect to its authority to regulate cryptocurrency and in a 180 long judgement authored by justice V Ramasubramanian<sup>7</sup>, held that the circular is disproportionate and therefore ultravires of the constitution.<sup>8</sup> The supreme court while defining virtual currencies stated four features of money being a medium of exchange, unit of account, store of value and whether it is a socially accepted tender as money. it was seen that virtual currencies did have the characteristics of money but it did not satisfy the legal definition of money by one of the petitioners it was contended that virtual currency are not money because they are not socially accepted as money. the supreme court has that even if it is satisfying three of these

Characteristics like these are enough to term the virtual currency as money and held that "virtual currencies have not acquire the status of a legal tender as they are not backed by a central authority but the constituent representations of value and are capable of functioning as a medium of exchange."<sup>9</sup>

It was contended that virtual currencies are accepted as a valid mode of payment to buy goods and services by some institutions and individuals and for that it can be concluded that this activity carried out by the uses of virtual currencies fall under the purview of the reserve Bank of India. as soon as cryptocurrency fell under the purview of RBI it was contended by the code that RBI was within its

<sup>6</sup> *Internet and Mobile Association of India vs. Reserve Bank of India*, (2018), 528/2018

<sup>7</sup> Justice V Ramasubramanian, *Internet and Mobile Association of India vs. Reserve Bank of India*, Judgement, [https://www.livelaw.in/pdf\\_upload/pdf\\_upload-370875.pdf](https://www.livelaw.in/pdf_upload/pdf_upload-370875.pdf) (Last visited on 10th January, 2021)

<sup>8</sup> Nikhil Subramaniam, Supreme Court legalises Bitcoin, Cryptocurrency Trading in India, Boom Time for India's Crypto's startups?, <https://inc42.com/buzz/supreme-court-lifts-ban-on-bitcoin-cryptocurrency-trading-in-india/> ( Last visited on 10th January, 2021)

<sup>9</sup> Suhrith Parthasarathy, Decoding the Supreme Court's Cryptocurrency Judgement, March 11 2020, 4:39 PM, <https://www.bloomberquint.com/opinion/decoding-the-supreme-courts-cryptocurrency-judgment> ( Last visited on 30th December, 2020)

rights to issue the circular and also fulfilled its objective under the law to safeguard public interest and the interest of depositors as well as of banking policy. one of the major contentions against the power of RBI was struck down by supreme court stating that the circular was in the interest of banking policies and further in the interest of public at large ultimately it was held that there was no excessive use of power by RBI.

“Despite the said activity forms a part of the credit or payment system, RBI has the authority to regulate or prohibit any activity which may impact the financial system of the country negatively.”

in the said case contended that RBI circular was not reasonable or proportional to the thread it was argue that article 19(1)(g) of the Indian Constitution in short the fundamental right to practice and any profession or to carry any occupation trade or business and so the petitioner challenge the circular on this ground the petitioners contended that since access to banking is equivalent to the supply of oxygen in any modern economy the denial to such an access for trade is nowhere a reasonable restriction the supreme court opened that such freedom guaranteed under this article must pass reasoning ability test and does it was said that it is extremely important to have access to banking facilities considering the economic situations. the reserve Bank of India objective that there is no fundamental right to purchase or sell in virtual currencies and therefore article 19 cannot be invoked.

The supreme court held that the measures taken by the reserve Bank of India could not pass the test of proportionality and reasonability and could have taken some less intrusive man measures or any other alternatives. it was concluded that alternative measures were not even considered by the reserve Bank of India to protect what this address from cryptocurrencies and therefore the circular was held unreasonable and disproportionate.

Another problem that that comes into play in the scenario was a currency is that it is not regulated in India so one does not need a licence to set up a cryptocurrency exchange business and does the door is open without any restrictions so there are a lot of factors that and also need to be considered in this situation. it is very difficult to analyse as to under the income tax act whether the trade whether trading in cryptocurrency will be considered as a business transaction or a capital gain if the currency is considered to be a regularly conducted transaction it has to be classified as a business income but if it's a one of transaction it can be said as a capital gain transaction.

Even under the goods and services at it is not clearly open the suggested by the courts whether GST is applicable to the supply of the property which constitutes good other than money is of the determination of whether the nature of cryptocurrency is considered to be a good or as characterized as Money, and so whether GST will be applicable or not. even though RBI was held to be within its rights to issue the circular the factor that lead to striking down of the circular issued by RBI was lack of proof of the proportional damage that was suffered by RBI and regulating entities in dealing with such business operations that were involved in cryptocurrency exchanges. it was held that the circular disconnected cryptocurrency completely from the back banking sector without having been found anything wrong with the functioning of these exchanges and thus, the circular was struck down.

After this judgement there is a hope for business is to re-join the industry in India it has also been seen that after the nationwide lockdown imposed due to the coronavirus outbreak they have been an increase in the number of people trading in cryptocurrencies but it is still important to know that the supreme court has not decided on the legality of the cryptocurrency in the judgement but has only decided upon the prohibition imposed by the reserve Bank of India.

## SECURITY ISSUES

With an all-time high price of Bitcoin there is an increased risk of criminal and illegal activities that might give way in the light of Bitcoin transactions. The entire nature of cryptocurrency is basically based on anonymity and that it is not regulated by any authority per-se. Considering all the benefits and limited mining of bitcoin the value of the currency is completely dependent on the demand and supply of it in the economy. As we see that there is a limited supply of Bitcoin it has a fairly increased value in the market than it had when it was first introduced. There is various financing risk involved while investing in Bitcoins but apart from financing, there are a lot of criminal activities that can easily be taken place under the veil of cryptocurrency considering it is a completely anonymous system and there is no regulating authority that regulates the transaction that is happening in the cryptocurrency world.

By using one of the biggest features of Bitcoin transactions some of the people involved in criminal activities use it for non-traceable transactions. In situations like kidnappers claiming ransom in Bitcoins and some of the people with black money investing in Bitcoin and then using it as a medium

of the transaction to buy a good of higher value is basically one of the best ways of using the black money. In comparison to the online transaction that is regulated by a regulating authority like RBI or any other banking institution all the transactions that take place through the internet can be easily traced by the government at any point of time but because of the of the block chain that is used in Bitcoin Technology the sender and the receiver of Bitcoins always remain anonymous and that is how it is completely untraceable if someone is using it for paying the ransom or involved in black money for buying or selling goods.

There has are also been increased uses of cryptocurrency for money laundering activities as it is completely untraceable, for people with criminal nature it is very easy and highly feasible to use bitcoin or cryptocurrency and also indulge in criminal activities overseas, as it is a network which is not regulated by any single authority throughout the world but is also accepted throughout the world. It is very easy for criminals to conduct criminal activities by usage of cryptocurrencies throughout the world.

Bitcoins and cryptocurrencies are generally accessible through a private key which is exactly like a UPI pin which is given to access any other online banking transaction account. The basic difference between any other pin or a password and a private key is that the UPI pin or password is regulated by banking authorities and in case you forget password, it is fairly possible for the bank to access your account and provide you with a new pin or a password. It is only possible because all the transaction and the bank account is regulated by the authority for a banking institution but in case of misplacing of the private key or the hard drive on which information of Bitcoins is stored it is impossible to get the Key again and thus the Bitcoin which are stored in the hard disk are lost forever. These lost Bitcoins can never be recovered and does involve a very high risk of investment.

With rising amounts of different types of cryptocurrencies and increasing of value of Bitcoins, there are a lot of fake currencies, fraud and bogus currencies that are coming up as it is completely possible for any computer to mine cryptocurrency. There are a lot of investors who meet with this fraud and as there is no regulating authority or any governing body of law with the knowledge of transaction, considering it is completely anonymous it is almost impossible to deal with such frauds. As it is not possible for the governing authorities to look into the matter there will be more and more people with fake currencies and will involve other innocent investors.

Bitcoins may also face higher fluctuation rate than any other currency in the world and considering there is no physical form of Bitcoins it is completely a digital currency. It cannot be used in physical stores so it will always have to be converted into another form of currencies that could be used in store for day-to-day activities. Also as it is a decentralized network system and there is no single authority that is regulating the entire system a group of investors or are people generally trading in Bitcoins decide to dump the Bitcoin industry and evaluation will have a very adverse impact on people who have invested a large amount of wealth in Bitcoins decentralized nature of Bitcoin is both a curse and a blessing.

## COMPARISON TO THE CONTEMPORARY WORLD

Paving the way of monetary system into the digital era, the monetary system has been expected to take a boom into the market by translating from fiat currencies to computerized or e-payments through platforms including Paytm, gpay, phone pay, bhim upi apps, etc. Talking about these apps gives an insight about the Indian e-payment apps. When we lookout to the contemporary world, it seems to happen that the blockchain technology has been embraced by the one of the top 10 countries whose economies has always been a part of the competitive markets. Countries such as Australia, China, Japan, UAE, Malta, Switzerland, USA, Estonia, United Kingdom and Singapore have been on the list of top 10 countries who have been embracing the blockchain technology at its peak.<sup>10</sup>

### AUSTRALIA:

Nations across the globe are envious of Australia's assessment laws with respect to Bitcoin and digital currencies, by and large. Charges have been taken out for all exchanges and exchanges done utilizing cryptographic forms of money. This is favourable for informal investors as they need not compensation charges for each exchange and for Australian residents as they need not compensation charges for any of their buys. The Australian Securities Exchange (ASX) declared that blockchain

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<sup>10</sup> Toshendra Kumar Sharma, Top 10 countries leading blockchain technology in the world, Countries which have embraced blockchain technology, <https://www.blockchain-council.org/blockchain/top-10-countries-leading-blockchain-technology-in-the-world/> (Last visited on 29<sup>th</sup> December, 2020)

innovation would be received completely following two years following the two-year testing time frame.

## CHINA:

The Chinese government is right now challenging the United States as the biggest politically influential nation. China houses a huge number of blockchain-based new companies. Chinese banking consortiums have likewise begun to unite behind blockchain. The Government of China is available to receiving blockchain and Artificial Intelligence (AI). It effectively underpins its top cryptographic money and savvy contract stages, for example, Qtum, TRON, NEO, and numerous others.

## JAPAN:

Japan has reliably been some time ahead concerning Bitcoin and crypto allocation. A part of the retail stores in Japan recognize Bitcoin. It is among the greatest Bitcoin vendors. According to a Nikkei report referred to in a note by Masao Muraki, who is an overall financial strategist at Deutsche Bank, around 40% of Bitcoin trading Q4 in the year 2017 was coordinated in Yen. Japan is a Bitcoin-neighbourhood country.

## UNITED ARAB EMIRATES:

Dubai is known as one of the most extravagant and most mechanical nations on the planet. They have been exploring blockchain innovation and its value-based proficiency throughout recent years. They are wanting to actualize it in their urban areas with the goal that they can have a more consistent economy. A cut off time of 2020 has been set by the public authority to examine all administration related information and documentation and to add it onto the blockchain.

## MALTA:

This European country has arranged itself as an overall pioneer inferable from its reformist method to manage cryptographic types of cash. Cryptographic types of cash are recognized as a system of exchange. The Virtual Financial Assets Act (VFA), which was effective from November 2018, introduced the Innovative Technology Arrangements and Services Act which goes probably as the framework for future enlistment and obligation of crypto expert communities. It will go probably as a regulatory framework for cryptographic types of cash.

## SWITZERLAND:

Zug, in Switzerland, is home to a part of the world's top blockchain associations. Zug is alluded to as Crypto Valley as it offers an unimaginable stage for overall improvement in the advanced cash space with respect to establishment, top capacity, and accessibility of its close by crypto-obliging government. Zug is home to the Crypto Valley Association (CVA), a non-advantage which expects to build the world's driving blockchain organic framework. In 2016, it transformed into the essential city on the planet to recognize Bitcoin portions for charge purposes. In 2017, it announced the beginning of its decentralized Ethereum-based progressed ID structure. In 2018, it viably completed the chief testing of the neighbourhood blockchain-based vote-based structure. The new improvement was the arrangement of Blockchain Task-Force, for giving a conspicuous framework to associations.

## USA:

In 2013, the Financial Crimes Enforcement Network (FinCEN) office understood the need to control trades relating to the exchanging of advanced types of cash. In the essential quarter of 2014, the USA Internal Revenue Service conveyed a guide about duty evaluation from exercises as for Bitcoins and other virtual money related norms. Bitcoins are treated as property with respect to government charges. Advantages from Bitcoin mining are reliant upon charge assortment. ICOs are moreover under rule in the US. The Security and Exchange Commission (SEC) controls tokens which in this way diminishes the peril that ICOs won't have the choice to fulfil their tokens inside the predefined time limit.

## ESTONIA:

The public authority has digitized its organizations using blockchain advancement. The capacity of blockchain is rapidly extending and thusly, a huge load of new organizations have started their inventive blockchain projects. In 2013, it went to blockchain when it expected to ensure about the prosperity records of its 1.3 million occupants. It is as of now digitized. There are various pieces of Estonia's business environment which were upheld by various crypto business visionaries and these recall 0% cost for undistributed advantages and 100% online cross-line the board. e-Residency, maintained by the Estonian government, ensures the validity of ICOs and computerized types of cash.

## UNITED KINGDOM:

The UK Government has been embracing block chain development from various perspectives. It houses the second-most raised number of block chain new organizations. Block chain development in the UK can improve issues of extortion and moderate financial organizations. The Foods Standards Agency has executed block chain as a regulatory gadget for controlling meat data in slaughterhouses. The public power's National Archives is cooperating with the University of Surrey on an undertaking named ARCHANGEL. This licenses hashes of records to be enrolled on narratives through an approval block chain, therefore clearing out the ability to adjust information. The public authority is wanting to complete block chain in equitable and clinical administrations systems.

## SINGAPORE:

It is home to the third-greatest ICO market. The Monetary Authority of Singapore (MAS) underpins the determination of block chain development in mechanical and financial regions. It maintains cross-line portions using mechanized record development. Protection organizations use splendid arrangements. It is furthermore pursuing structure a secured clinical consideration data system. Singapore intends to achieve interconnectivity by using block chain advancement. The recently referenced countries and much more are caught in a tight rivalry to transform into the undisputed capital of block chain improvement. They intend to lead development for a serious long time by making an imaginative economy with the help of the clever blockchain geeks and in fact proficient characters on Earth. In this mechanical change, there will emphatically be two or three key victors in this blockchain race all through the next decade, across the entire planet.

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## ANALYSIS

Considering the volatile nature of Bitcoins and limited supply of mining it is subject to risks for the investors even with great technical aspects and the decentralized mechanism of cryptocurrencies it still involves a lot of risks which if not explored thoroughly by investors might lead to a problem for them later. The block chain technology as a whole is very beneficial and useful in many aspects but if Bitcoin and cryptocurrency are not properly regulated the retrieval mechanism cannot be put into

place and it will be very difficult for people who have lost their money or have been a part of any fraud occurred due to the process of exchange through cryptocurrencies.

India is a growing economy and there are a lot of investors who are highly interested in investing into Bitcoins, to reports show that block chains overall contribution to the Indian economy is projected to reach \$262 billion in 2030. the central government is also likely to bring up a bill seeking a ban on all private cryptocurrencies including Bitcoin in India. In this parliamentary budget session in to reports the bill will also have paved the way for the Reserve Bank of India to create a facility framework to issue an official digital currency. Cryptocurrency exchanges have seen a tremendous increase in their uses in India after the supreme court lifted the sender's ban however industry experts also have concerns over the use of cryptocurrency some experts even claimed that the government might not allow cryptocurrency game prominence over the Fiat money.

Cryptocurrencies and Bitcoin is still awaiting its fate in India and it not wrong say that India might try and regulate it as much as possible but it is difficult to use it as or over the free add money.

## CONCLUSION

The most important thing to ponder upon in the entire scenario is why can't India regulate virtual currency similarly done by other countries by amending the taxation laws and also appointing authority specifically for taking care of the transactions that are carried out by cryptocurrency exchanges and also saving investors and people, also business dealing in cryptocurrencies from Bank fraud or money laundering. The future of cryptocurrency in India totally lies in the hands the legislature, whether to ban the currency or not. We need to take a decision looking towards the future and introduction of digital rupee or to recognise and regularise the sector. This is the need of the hour to make it viable for investors and also consumers as it is one of the most popular technology throughout the world. Once the consumers and businesses have proper knowledge and work in a regularised vacuum system cryptocurrency can help India into gearing and boosting the economy in different ways apart from the traditional ones.

Research's show that block chain development and cryptocurrency go hand in hand if the government has digital tools to confirm identity then it makes little sense to ban their trade. The

future of many things that gaming also depend on these virtual coins and as India is developing fast people are spending more on virtual modes of recreation than they ever did.

There are numerous things which India needs to gain from this advanced time are that some are for their advantage yet some of them are to make pressure and to stress over. Despite the fact that we as a whole realize that India is moving quick towards the time of Digital age what's more, that day isn't far away that India will likewise be considered as perhaps the most evolved country on the planet. These virtual advanced coins will be more well known in the coming future. Above all the technology in itself has a very unprecedented area within the ambit of India as the bill declaring the currency legal has not been passed. Even if the cryptocurrency establishes it arena into the digital era we cannot predict whether it will have the positive or negative impact in the country. Though its applications and usages have a good amount of positive implications in the computerized cash payments rather than just fiat currencies payment.

Hence, the day is not far where India could be a part of cryptocurrency and block chain technology as a whole. Though it has pros and cons at every scenario, still it is a long way to go into the digital era and to predict any kind of situations in the country is not really viable enough.