



St. Joseph's College of Commerce (Autonomous)

Affiliated To Bengaluru City University
Accredited with 'A++' Grade (4th Cycle) by NAAC | College with Potential for Excellence (CPE)
Ranked 72nd in NIRF 2020 by MHRD
#163, Brigade Road, Bengaluru - 560025, Karnataka, India

INVISION

An Initiative by Department of Commerce
(Professional- International Accounting & Finance)

PROLOGUE

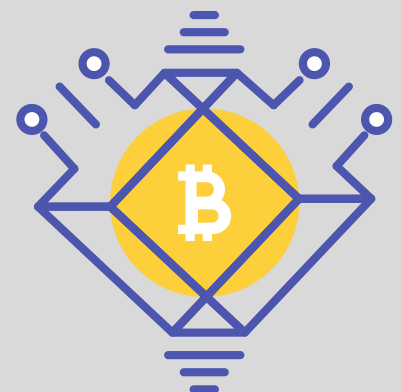
St. Joseph's College of Commerce is one of the top educational institutions in India offering various opportunities for students to pursue their careers in the fields of Business, Management, Accountancy and Finance. With the motto "Fide Et Labore" (Faith and Toil), the college aims at shaping a society of all inclusive minds to cater to the diversity of our country.

The B.Com (Professional - International Accounting and Finance) course has been designed in collaboration with the Association of Chartered Certified Accountants (ACCA), UK, with the objective of providing students with a deeper knowledge and understanding of subjects thereby making it a challenging, yet rewarding course to students with high career aspirations.

InVision, the official newsletter of the B.Com (Professional - International Accounting and Finance) Programme has been designed with a view to shed light upon current events happening within various corporate fields in order to help students inculcate a strong sense of ethics and corporate values, especially with regards to the accountability, transparency and responsibility of a professional in the business world.

CRYPTO- CURRENCY

In 2009, the so-called Satoshi Nakamoto, whose identity is still secret, created the first cryptocurrency, Bitcoin.



THE CRYPTOCURRENCY & THE REGULATION OF THE OFFICIAL DIGITAL CURRENCY BILL, 2021

Cryptocurrency is digital money. That means there's no physical coin or bill – it's all online. You can transfer cryptocurrency to someone online without a go-between, like a bank. People might use cryptocurrencies for quick payments and to avoid transaction fees. Some might get cryptocurrencies as an investment, hoping the value goes up. You can buy cryptocurrency with a credit card or, in some cases, get it through a process called "mining." Cryptocurrency is stored in a digital wallet, either online, on your computer, or on other hardware.



सत्यमेव जयते

Government of India

The Central government has revealed that it will bring a new bill on cryptocurrencies as the existing laws are inadequate to deal with the issues concerning cryptocurrencies. The inter-ministerial committee (IMC) has suggested a ban on private cryptocurrencies, like Bitcoin in India. Additionally, the same committee has pitched for the introduction of an official digital currency that will be appropriately regulated by the Reserve Bank of India.

The aim of the bill is "to create a facilitative framework for creation of the official digital currency to be issued by the Reserve Bank of India. The Bill also seeks to prohibit all private cryptocurrencies in India; however, it allows for certain exceptions to promote the underlying technology of cryptocurrency and its uses," purport of the bill as mentioned in Lok Sabha bulletin.

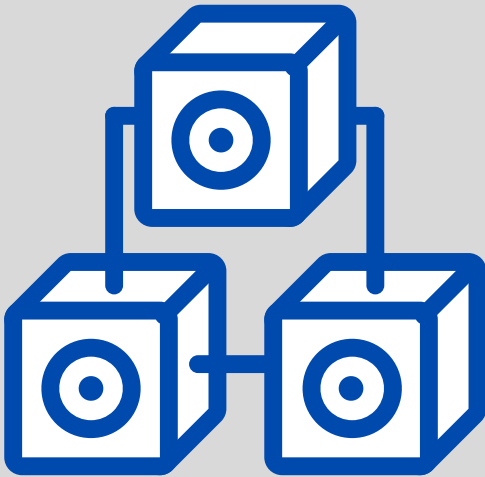
The RBI had banned the use of cryptocurrency for processing transaction in 2018. However, the Supreme Court lifted the ban on March 4th 2020. Now, the RBI has also clarified that it is working on a digital version of the rupee, and results were expected soon.

How will India's new bill on cryptocurrencies impact Bitcoin investors?

The new cryptocurrency bill might impact some existing investors who are already investing in private digital currency like bitcoin in the country. This is because, if the Centre goes by the recommendation of the Inter-Ministerial Committee (IMC) then private cryptocurrencies will be banned in the country which will understandably cause a loss to the existing crypto investors of the country.

However, it is still not clear if the new legislation will include Bitcoin or Ethereum under the list of banned private cryptocurrencies.

Speculation is also rife that the proposed cryptocurrency bill may allow holders of such currencies to exit the asset class before its anticipated ban but may put a heavy penalty on its conversion to a legal asset. Since the detailed provisions of the bill are not yet known, there is a lot of ambiguity as to whether those holding Bitcoins or other cryptocurrencies should sell them or not. As per the official estimates, around seventy lakh Indians hold cryptocurrencies worth more than \$1 billion.



Cryptocurrencies also present opportunities that the government and regulators must catalyse. There is adequate empirical research on how decentralized, peer-to-peer finance through blockchain-based cryptos can make financial services more accessible, cost effective, efficient and interoperable. India could use them to deepen its financial markets.

In conclusion, the proportionate, proactive, participative and process-driven regulation of cryptocurrencies will aid the success of Digital India. The regulation and acceptance of cryptos can be done in two stages. A CBDC can mark the start of India's journey into the world of digital currencies, but must not be an end in itself. Private cryptos may well be sustainable under regulation and could also help the government and central bank meet key policy objectives. Today, India has a chance to be a global leader in framing the regulatory architecture for a new digital world. The democratized and appropriately-regulated use of cryptocurrencies is an opportunity that the country must seize.



ACTIVITY

Answer the following questions

From the options given below, identify the features attributable to cryptocurrencies.

- A. Real world identities can be hidden while using cryptocurrencies
- B. Transactions are irreversible
- C. Time taken to process transactions is dependent on the locations of origin and destination
- D. Miners are people who process transactions on block-chain to mine cryptocurrencies
- E. Security of transactions

Rearrange these steps to the correct order in which a bill is passed in India:

- A. clause-by-clause consideration of the bill
- B. general discussion on the bill as a whole when the principle underlying the bill is discussed
- C. Bill is sent to the other house of parliament for approval
- D. debate confined to arguments either in support or rejection of the bill without referring to the details further than that are absolutely necessary
- E. Introduce the bill in either house of the parliament
- F. Bill is sent to the president for approval
- G. Acquire a majority vote approving the bill in the concerned house of parliament in which the bill is introduced.
- H. refer the bill to the concerned standing committee for examination and to prepare a report on the same

Email the answers to accanewsletter@gmail.com

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