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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal provided dedicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

NAVIGATING THE LEGAL LANDSCAPE: A COMPARATIVE STUDY OF CRYPTOCURRENCY REGULATION, MARKET PERCEPTIONS, AND IMPACT IN INDIA AND G-20 JURISDICTIONS

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Abstract

Compared to other G-20 nations, India's legal and regulatory framework for cryptocurrencies is being thoroughly examined in this research. Central Bank Digital Currencies (CBDCs) are one of several aspects that are investigated, along with consumer views, regulatory strategies, and economic effects. The paper examines the present tax and legal regimes in India, the worldwide movement towards regulatory consistency (as shown in initiatives like the EU's MiCA and the IMF-FSB frameworks), and the conflict that exists between innovation and supervision via the use of comparative legal analysis. In addition to examining consumer motives, knowledge levels, and behavioral trends—highlighting the increasing interest among Indian millennials despite regulatory uncertainty and high taxes—the article draws upon academic surveys and pilot research. In addition, both the positive and negative social and economic effects of cryptocurrency adoption are examined in both domestic and global settings. At the conclusion of the article, the authors highlight the need of legislative clarity, tax reduction, CBDC integration, and global alignment as crucial policy suggestions that India may implement to further solidify its role as a regulatory leader. Additionally, it suggests directions for future studies that might help with digital finance policies based on evidence.

1. Introduction

There has been a sea change in the way governments and legal systems see regulatory responsibility, monetary sovereignty, and financial innovation due to the meteoric emergence of bitcoin throughout the world. Countries throughout the globe are grappling with the issue of how to legislate decentralized digital assets like Bitcoin and Ethereum while simultaneously ensuring the safety of investors, maintaining financial stability, and preventing the laundering

of illicit funds. India is at a turning point, thanks to its large tech-savvy population and growing digital economy. With over 100 million users projected in 2024, India is among the top countries in crypto adoption, while lacking a robust legal framework. Uncertainty, fostered by the present legal framework's high taxes, muddled categorization of crypto assets, and ever-changing central bank digital currency (CBDC) policy, encourages innovation but slows its long-term development. At the same time, different regulatory strategies are being advanced by G-20 nations. With the adoption of the Markets in Crypto-Assets (MiCA) law, the European Union has created a clear and consistent regulatory framework for cryptocurrency. While regulatory fragmentation persists, the United States is taking steps to clarify jurisdiction via legislation proposals including the CLARITY Act and FIT21. China, on the other hand, is pushing its digital yuan initiative with all its might while simultaneously banning private cryptocurrencies. With an eye on consumer actions, market reactions, and policy frameworks, this article intends to do a comparative legal study of bitcoin regulation in India and other G-20 states. Additionally, it delves at the ways in which socioeconomic circumstances, technical comprehension, and legal clarity impact consumer views and use habits in India and throughout the world. In addition, the paper analyzes the possible effects of India's CBDC program and the monetary and legal ramifications of pursuing a two-pronged strategy for digital money: regulating private crypto assets while encouraging sovereign digital money. So doing, it pinpoints important policy holes and reform possibilities, and in the end, it suggests a course of action for India to follow in order to bring its regulations in line with global standards.

1.1 A brief overview of crypto regulation in India

Over time, India's position on cryptocurrencies has changed. In 2013, the country's central bank, the Reserve Bank of India (RBI), released a statement warning people about the hazards involved with using virtual currencies, such as cryptocurrencies, and those who own or trade them. Banks and other regulated companies were barred from providing services to individuals or businesses dealing in cryptocurrency in 2017 by the Reserve Bank of India (RBI). Cryptocurrency trading was essentially outlawed for Indian citizens per the circular.

But in March 2020, the Indian Supreme Court declared that the Reserve Bank of India's cryptocurrency prohibition was unconstitutional because it was "disproportionate" and infringed people's basic rights. With this ruling, cryptocurrency use in India was formally legitimized, paving the way for their widespread acceptance.

Cryptocurrency regulation can ensure that cryptocurrencies are used in a way that is consistent with broader financial and economic policies.

A cryptocurrency regulatory framework has been studied by the Indian government since then. A digital rupee and a framework for regulating private cryptocurrencies were proposed in a study by the Ministry of Finance in 2022. The paper aimed to create a state-backed cryptocurrency. Additionally, the research suggested that a Digital Currency Regulatory Authority (DCRA) be set up to monitor the cryptocurrency industry in India.

Indian Finance Minister Nirmala Sitharaman stated major policy changes regarding virtual assets, notably cryptocurrencies, in the Union budget for 2022. Coincident with the announcement of a new tax system, the government has formally designated digital assets, including cryptocurrencies, as "virtual digital assets." The transfer of "crypto-assets" will be subject to a flat 30 percent income tax. As a first step towards regulating the cryptocurrency business, this notification clarifies the situation for entrepreneurs and investors in India who deal with digital assets.

1.2 Leveraging the G20 for greater regulation

During its G20 presidency, India will facilitate 40 sessions on various topics related to finance. Several working groups and four ministerial sessions will be convening for these events, with the goal of making substantial contributions to global economic talks. Reorienting global financial institutions, addressing debt risks, and regulating crypto assets are the main areas of attention for the finance track. In early 2023, in Bengaluru, India, the first meeting of finance ministers and central bank governors will be held, with Finance Minister Sitharaman and Reserve Bank of India Governor Shaktikanta Das leading the overall finance track during India's G20 presidency.

The decentralised nature of cryptocurrency and the lack of a central authority or intermediary make it particularly important to ensure consumer protection from fraud, financial loss, and other risks.

When discussing how to regulate cryptocurrencies, consumer protection must always come first. It is especially crucial to safeguard consumers from fraud, financial loss, and other threats when it comes to decentralized cryptocurrencies, since there is no central authority or

middleman.

The cryptocurrency business has a number of opportunities for authorities to safeguard investors and users. To stop illegal activities, one strategy is for platforms like bitcoin exchanges to have stringent KYC and AML regulations. Exchanges might be required by regulators to maintain a certain minimum capital to safeguard themselves against potential losses. Providing customers with clear and succinct information about the dangers and possible rewards of investing in bitcoin is another crucial part of consumer protection in cryptocurrency legislation. It is equally important to let customers know what their rights are, where they may go for help with disputes, and what to do if they have any questions or concerns. To minimize financial losses and other hazards, consumer protection should be a top priority when regulating cryptocurrencies. This can only be achieved by a mix of strong legislation and robust industry standards. India can educate governments across the globe on the essential ideas that should underpin its crypto regulatory framework and position itself as a leader in crypto regulation. After registering with the FIU to begin operations in the nation, Binance, the largest cryptocurrency exchange in the world, was fined 188.2 million rupees (\$2.25 million) in June. However, despite legal limits, Binance continues to lead the G-20 in adoption. Although KuCoin, a cryptocurrency exchange, had registered with the regulator in March, the fine it faced was just 3.45 million rupees. Chainalysis' worldwide adoption index included seven nations from central and south Asia, including the Philippines, Vietnam, and Indonesia, among others. According to the survey, nations with weaker buying power per capita had a higher number of decentralized transactions involving retail-sized transfers of cryptocurrency valued less than \$10,000. Indonesia has outright forbidden cryptocurrency payments but permits investment in the assets, therefore trading activity was high. The research said that in the twelve months leading up to July, the nation saw an influx of \$157.1 billion in digital asset trading. An increasing amount of multidisciplinary research has been stimulated by the development of blockchain technology and cryptocurrencies. Critical insights for stakeholders and legislators have been provided by academics and institutions that have examined the technical, economic, and legal ramifications of digital assets.

1.3 Regulatory Frameworks and Policy Approaches

The decentralized and transnational character of cryptocurrencies makes regulation complicated, as pointed out by Al-Khouri (2021) and Sahoo (2022). To strike a balance between innovation and financial risk, they support legislative procedures that are both solid

and flexible. Investigating India's shifting posture, Kapoor and Saxena (2023) and Madan and Singh (2023) reveal the country's vacillation between cautious innovation and regulatory control. Allowing digital currency development while keeping national authority is a delicate balance, as pointed out by Varghese (2023). In contrast to the disjointed approach in the US and the complete prohibition in China, international viewpoints, such as the MiCA legislation (2023) from the EU, provide a clear and organized model for regulating cryptocurrency markets (Lee & Wang, 2022). To reduce risks and promote innovation, international organizations including the Financial Stability Board (2023), the OECD (2023), the Financial Action Task Force (2022), and the International Monetary Fund (2021) emphasize the need for worldwide cooperation, anti-money-laundering standards, taxation frameworks, and digital identification solutions.

1.4 Cryptocurrency Adoption Drivers

Decentralized finance (DeFi) is on the increase, and how blockchain facilitates P2P financial services outside of conventional institutions is something Chen and Bellavitis (2020) talk about. Consistent with worldwide trends seen in the MDPI (2023) pilot research, Kumar and Jain (2024) empirically investigate Indian consumers and find that financial incentives, tech-savviness, and peer influence impact adoption. Both Singh and Dey (2022) and Saran and Ghosh (2023) agree that India's tax constraints and regulatory uncertainties make domestic trade less appealing, but that this hasn't stopped young people from becoming interested.

1.5 Economic and Social Impacts

Both the Indian government's budget speeches from 2022 and 2023 and the World Bank's 2023 report highlight digital financial inclusion as a key objective for national growth. In areas that are heavily dependent on remittances or have limited access to banking services, cryptocurrency has the potential to open up new avenues for economic growth (IMF, 2021; OECD, 2023). But there are still big dangers of financial crime, consumer exploitation, and speculative trading. Both Yermack (2021) and Taxmann (2022) examine the consequences for taxes and government, drawing attention to the difficulties of applying traditional legal standards to decentralized systems.

1.6 Blockchain for Development

The Reserve Bank of India (2023) and the Crypto Council for Innovation (2023) have effectively highlighted the promise of blockchain technology beyond cryptocurrencies. These

areas include identity management, public service delivery, and the integration of CBDCs. An important step toward preserving monetary sovereignty while welcoming innovation is the digital rupee effort launched by the Reserve Bank of India (RBI).

2. Comparative Legal Regulation: India vs. G-20

2.1 India's Regime

Given the country's fast user growth, technical adoption, and related worries about financial crime, consumer safety, and monetary sovereignty, India has taken a reactive and cautious approach to regulating cryptocurrencies. Though major changes are taking place in many areas, India does not yet have a complete regulatory framework, in contrast to a number of G-20 nations with organized laws.

2.2 Technology and Infrastructure

A lot of people in India's IT industry are using blockchain right now. Decentralized ledger solutions for governance, logistics, and finance have been used by many fintech and start-up organizations. Regardless, institutional involvement and innovation have been hindered by regulatory uncertainty caused by the absence of explicit standards on blockchain and token issuance. Regardless, the digital rupee, or Central Bank Digital Currency (CBDC), has been tested by the Reserve Bank of India (RBI) in an effort to find a government-backed substitute for private crypto assets in both the wholesale and retail markets.

2.3 Financial Crime and Security Risks

Unregulated cryptocurrency transactions pose dangers of money laundering, terrorism funding, and consumer fraud, according to regulatory agencies in India. These authorities include the Reserve Bank of India (RBI) and the Enforcement Directorate (ED). Skepticism has been intensified by many instances of Ponzi scams and unlawful foreign exchange transfers. When contrasted with international norms like as MiCA or the EU's compliance with the FATF's Travel Rule, India's lack of a license or registration system for VASPs stands out as a significant legal shortfall.

2.4 Comparative Analysis with G-20 Nations

In contrast to the United States, where the discussion is on SEC/CFTC jurisdiction, and the European Union, which offers asset classification and license under MiCA, India has not yet

determined whether cryptocurrencies are assets, securities, or commodities; nevertheless, the country does impose a 30% flat tax on crypto profits and 1% transient duties. Custodial regulations, anti-money-laundering processes, and licensing systems vary per country. For example, South Korea, Japan, and Germany all have their own unique approaches. When compared to its G-20 counterparts, India lags behind in regulatory maturity due to its haphazard enforcement and unclear policies.

2.5 Emerging Trends and User Growth

Thanks to its tech-savvy youth and well-established digital payment infrastructure, India is home to one of the world's most rapidly expanding cryptocurrency industries. The projected number of bitcoin owners by the year 2024 was above 100 million. Speculative interest and long-term investor optimism are shown by the fact that retail participation remains resilient despite the 2022 market meltdown and high taxes. However, local exchanges have seen significant drops in trading volume as a result of tax obligations, so this increase is still happening abroad.

2.6 Regulatory Developments

More and more, people are starting to take notice, as seen by recent initiatives like discussing a Crypto Bill, requiring crypto assets to be disclosed, and bringing VASPs under the Prevention of Money Laundering Act (PMLA). Cryptocurrencies and digital assets still do not have a unified, industry-specific legislation in India. While India's Finance Ministry met with other G-20 ministries during its G-20 presidency, they stressed the necessity of a single global framework; nevertheless, local legislation has yet to be enacted.

2.7 CBDC Potential and Market Resilience

As part of its new strategy, India is experimenting with sovereign digital money via its CBDC trial. The digital rupee is an effort to improve transaction transparency, ease real-time settlements, and reduce the expenses associated with managing currency. If it works, it might help achieve financial inclusion objectives while decreasing the need for private cryptocurrency. A shift toward cautious legalization is hinted at by the growing public discussion, technical interest, and foreign cooperation in India's crypto sector, which has proven resilient.

4. G-20 & International Models

- EU's MiCA (Markets in Crypto-Assets Regulation)
- Entry into Force & Phased Application
- MiCA was published in the EU Official Journal on 9 June 2023 and came into legal force 20 days later—i.e., 29 June 2023
- Application is phased: rules on stablecoins (asset-referenced/e-money tokens) applied 30 June 2024, with full application across all crypto assets from 30 December 2024

Scope

- Establishes uniform EU-wide rules for crypto-asset issuers, stablecoin providers, exchanges, and custodians, covering disclosure (e.g. white papers), authorization, and supervision
- Enforces market integrity and consumer protection; offshore unregulated entities can no longer target EU users uncontrollably

Supervisory Oversight

The European Securities and Markets Authority (ESMA) and national authorities are empowered to set technical standards and guidelines (market abuse prevention, reporting, etc.)

4.1 OECD's CARF (Crypto-Asset Reporting Framework)

What CARF Is

Established in June 2023 as part of the updated International Standards for Automatic Exchange of Information in Tax Matters, created by the OECD under a G-20 mandate

- Requires Crypto-Asset Service Providers (CASPs) to collect user data (tax IDs, residency), perform KYC/AML due diligence, and report crypto-to-crypto, crypto-to-fiat, and transfer transactions annually

Global Commitment

- By early 2025, 63 jurisdictions, including those in the G-20, committed to implementing CARF by 2027–28
- A Multilateral Competent Authority Agreement (MCAA) was signed by 48–67 jurisdictions by late 2024/early 2025

EU Integration (DAC8)

- The EU's DAC8 directive incorporates CARF into its Common Reporting Standard regime. EU CASPs serving EU residents must report starting 2026, with the first data exchange due 31 January 2027
- IMF & FSB: Licensing, Prudential Standards & Global Consensus

Policy Alignment

- The IMF and FSB produced a joint synthesis paper (Sept 2023) under India's G-20 Presidency, merging macro, prudential, financial integrity, and supervisory concerns
- This "roadmap" targets implementation of new regulatory and supervisory frameworks by 2025
- Key Recommendations
- Require licensing, registration, and authorization for CASPs, aligned with traditional financial standards
- Apply prudential and conduct rules for entities offering multiple services like custody and exchange
- Demand stricter standards and controls for stablecoin issuers to protect monetary and financial stability

Against Blanket Bans

- The policy documents explicitly reject outright bans on crypto as ineffective and counter-productive—advocating regulated frameworks instead

Framework	Effective Dates	Key Focus
MiCA (EU)	In force Jun 2023; applicable Dec 2024	Licencing, transparency, consumer/fraud protection
CARF (OECD/OECD)	Standard by 2023; reporting from 2027 (EU Jan 2026)	Tax reporting, AML/KYC, global oversight
IMF/FSB	Ongoing recommendations	Encourage licensing, prudential & AML system
Global Trend	Gradual regional/legal adoption	Controlled regulation over bans

4.2 Position of EU, U.S., China

China: Outright Ban

- Since September 2021, China has banned all cryptocurrency transactions, exchanges, and mining in order to curb speculative activity, capital flight, and financial instability
- No official signs of reversal as of mid-2025; Beijing is instead focusing on its own Central Bank Digital Currency (CBDC), the digital yuan
- Despite legalization of private crypto possession in rare legal rulings, broader bans remain strictly enforced—and trading continues only underground or overseas

U.S.: Regulatory Uncertainty (FIT21 & Clarifying Acts)

- The U.S. lacks a consolidated regulatory framework—crypto oversight remains fragmented among the SEC, CFTC, and various state regulators
- FIT21 (passed the House in May 2024) seeks to clarify regulatory authority by assigning “commodities” to the CFTC and “securities” to the SEC; still awaiting Senate and Presidential sign-off
- The CLARITY Act, recently introduced in 2025, also aims to define agency responsibilities—marking a broader push toward comprehensive crypto legislation
- These efforts reflect bipartisan support, but progress remains uncertain and slow

EU: Clear, Regulated Approach under MiCA

- The EU has established transparent, uniform regulation through MiCA: adopted in April 2023 (OJ publication 9 June), with phased implementation—stablecoins from 30 June 2024, full crypto-asset services from 30 December 2024
- MiCA mandates licensing for service providers, ongoing supervision, AML/KYC protocols, consumer protection, and market rules—intended to ensure both innovation and integrity
- This puts the EU ahead of other major economies in establishing legal clarity and cohesive regulation

Summary Table

Jurisdiction	Current Policy	Regulatory Framework
China	Outright ban on crypto activities	Strict prohibition, CBDC focus
U.S.	Fragmented regulation, legal ambiguity	Pivoting via FIT21 & CLARITY Act

Jurisdiction	Current Policy	Regulatory Framework
EU	Structured, phased regulatory rollout	Unified MiCA framework

5. Global Market Perceptions & Consumer Use

5.1 Pilot Studies & Academic Findings

- **MDPI Pilot Study**

A global pilot in the *Journal of Theoretical and Applied Electronic Commerce Research* surveyed consumer behaviors toward cryptocurrency adoption: respondents were generally aware of cryptocurrencies, drawn by the promise of high returns, yet struggled with technical complexities; security and legal worries were primary obstacles

- **Academic Survey on Crypto-Shopping**

A study focused on crypto-based purchases (516 participants) revealed that nearly **30%** of users often shop using crypto—even with limited knowledge. The study emphasized that convenience and novelty drive usage more than expertise, suggesting knowledge explains only about 11.6% of purchase frequency

5.2 Indian Consumer Insights

- **High Ownership Despite Uncertainty**

By 2024, over **100 million Indians** reportedly held crypto assets, with strong interest from younger cohorts, even in the face of regulatory confusion and heavy taxation.

- **Resilience to Market Crashes**

Consumer surveys indicate that market downturns had minimal impact on long-term investment intentions, hinting at crypto being viewed more as a speculative asset than a short-term trading tool.

6. Economic & Legal Impacts

6.1 India

- **Tax Flight Offshore**

High tax rates (30% gains + 1% TDS) pushed more than 90% of cryptocurrency trades offshore.

- **RBI Warnings**

The Reserve Bank of India flagged crypto activity as a potential threat to financial

stability.

- **Digital Rupee Benefits**

India's central bank digital currency (e₹) aims to reduce cash-handling costs, enable real-time settlements, and reinforce monetary sovereignty.

6.2 Global Perspective

- **Risks Inherent to Crypto**

Worldwide authorities emphasize risks such as price volatility, scams, tax avoidance, and money laundering.

- **EU's MiCA Framework**

MiCA is structured to protect consumers and ensure market integrity via regulated licensing, AML/KYC, and disclosures.

7. Comparative Legal Analysis: Private Crypto vs. CBDC

- **India's Digital Rupee**

The e₹ is positioned as an *additional payment option*, not a replacement for fiat or private crypto—emphasizing transparency and traceability within pilot schemes.

- **Contrasting Models**

Private cryptocurrencies operate on decentralized, pseudonymous networks, posing challenges in legal power and privacy. CBDCs, by contrast, enable centralized oversight and auditability but raise legitimate concerns about data privacy and state access to payment information.

8. Policy Recommendations

- **Regulatory Clarity & Balance**

Implement licensing structures with clear AML/KYC + tax rules, drawing on G-20 & IMF guidance.

- **Tax Incentivization**

Ease the tax burden (TDS/cap gains) to bring trading back within national borders and spur domestic innovation.

- **Promote CBDC Integration**

Utilize the digital rupee's infrastructure to enable secure cross-border payments and foster financial inclusion.

- **Public Awareness Campaigns**

Raise awareness—especially among youth—about crypto’s risks, safe usage, and legal rights.

- **Global Cooperation**

Use India’s G-20 leadership to promote cross-border regulatory alignment, data sharing, and AML efforts.

9. Conclusion

This analysis highlights the ever-changing worldwide legal environment around cryptocurrency legislation, placing India at a pivotal crossroads. Achieving leadership among developing markets is within the country's reach if its domestic legislative frameworks are brought into line with international norms such as the EU's MiCA, the OECD's CARF, and the recommendations of the IMF and the FSD. Although India has made significant strides, such as launching a central bank digital currency (CBDC) and enacting taxation rules, the present system is characterized by uncertainty, excessive taxes, and difficulties in enforcement, which cause businesses to move their operations abroad. Regardless of market fluctuations and legal ambiguity, consumer involvement with cryptocurrencies in India is strong, particularly among the younger generation. Research both at home and abroad shows that consumers are more interested in the product for reasons other than its technical merit, such as its novelty, ease of use, and potential financial gain. Consumer education, clear laws, and consistent regulations are absolutely necessary in light of this. In addition, the digital rupee policy in India shows a more sophisticated view that views CBDCs as an addition to private cryptocurrencies rather than a substitute for them. The centralized aims of monetary sovereignty, consumer protection, and financial integrity must be balanced with the decentralized character of crypto assets under legal frameworks. To maintain its position as a global leader, India needs a regulatory framework that encourages innovation while reducing potential dangers.

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