

TDS imposed to track large number of crypto transactions- Sitharaman

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NEW DELHI: Union finance minister Nirmala Sitharaman on Friday said the government has decided to impose a 1% tax at source on the transfer of crypto or digital assets to track the transactions.

There is no confusion in terms of the roadmap for regulation of crypto as discussions are under way on the subject over whether the crypto market should be regulated or banned totally, Sitharaman said during the discussion on Finance Bill 2022 in the Lok Sabha.

"There is no confusing signal. We are very clear that there are consultations going on as to whether we want to regulate it or regulate it to some extent, or very much or totally ban it. After the consultations are concluded, the matter will come out, but till then we are taxing it as lot of transactions are happening there," she said.

The government made its position clear and said it will tax money generating because people are taking money and assets are being bought and sold, Sitharaman told the lower house of Parliament.

"TDS (tax deducted at source) is more for tracking. It is not additional tax and not a new tax. It is a tax that will help people track it, but at the same time the taxpayer can always reconcile it with the total tax to be paid to the government," the finance minister said.

The Lok Sabha on Friday passed the Finance Bill 2022 with 39 amendments.