Taxation of Virtual Digital Asset In INDIA

As per Budget 2022, Government announced to levy Tax on profits from trading in VDAs from the Financial Year 2022-23. Tax @30% plus Surcharges & Education Cess, will become the tax liability which is the trader is liable to pay to the government and 1% TDS on the sale of crypto assets exceeding more than Rs.50,000 in a single financial year. The only Benefit taxpayer will get from the tax liability is The Cost of Acquisition of the VDA which he incurred at the time of purchase of VDA.

There is a need to consider VDA as an Investment option and hence to promote such assets, the government needs to consider its importance.

As per experts' opinion, there's possibility that Government will reduce the tax implications on VDA in upcoming budget in Feb. 2023, and expects that it will apply same rates of taxes as those are applicable to other securities.

While other experts have opinion that same will not change as there are regulations & rules yet to be framed and announced on Trading of VDAs.