

Supreme Court Rules in Favour of IAMAI in the Cryptocurrency Case

Mumbai, 04th March 2020 :The Internet and Mobile Association of India (IAMAI), which also represents the cryptocurrency exchanges in India, amongst others had approached the Supreme Court in the year 2018, basis the circular released by Reserve Bank of India on April 6, 2018, prohibiting regulated entities from "providing any service in relation to virtual currencies, including those of transfer or receipt of money in accounts relating to the purchase or sale of virtual currencies."

Welcoming the decision of the bench which included Justice Rohinton Fali Nariman, Justice S Aniruddha Bose and Justice V Ramasubramanian that ruled in favour of IAMAI, the association has said that this development comes as a major relief for the cryptocurrency sector, as the exchanges can now work with regulated entities for facilitating banking transactions.

IAMAI was represented by Advocate Ashim Sood and Nishith Desai Associates, with the assistance of Advocate on Record Gohil and Singh in court.

IAMAI's arguing counsel Shri Ashim Sood said "This is a positive moment for technology and innovation. The Supreme Court has made clear that the rule of law is not to be displaced based on fear and myth but that the usual rules governing decision making will apply no matter what."

Nischal Shetty, Founder & CEO, WazirX and member of the blockchain and cryptocurrency committee (BACC) of IAMAI said "Today's a historic day for the entire Indian crypto ecosystem. This positive judgement will open doors to massive crypto adoption in India. It proves that we can now innovate, and the entire country can participate in the Blockchain revolution. With over 1 Billion population, the Indian market is a sleeping giant. I'm confident that this judgement will have positive impact on the global crypto ecosystem. We're specifically thankful to IAMAI and their entire team for the unaverred support and for standing with the crypto community of India. Their contribution has changed the course of crypto start-ups in India in a very positive direction."

"Today, the Supreme Court of India set aside the RBI circular restricting banks from facilitating virtual currency transactions on the ground that it was a disproportionate restriction of the petitioners' fundamental rights. We, Nishith Desai Associates (NDA), were honoured to represent the petitioners IAMAI and B.V. Harish, co-founder at Unocoin and instructing arguing counsel Ashim Sood. We are analysing the full text of the judgement." said Jaideep Reddy, Leader - Technology Law at Nishith Desai Associates & Nishith Desai, Founder - Nishith Desai Associates

The bench in its judgement said that "It is no doubt true that RBI has very wide powers not only in view of the statutory scheme, but also in view of the special place and role that it has in the economy of the country. These powers can be exercised both in the form of preventive as well as curative measures". While the court recognized the power of RBI to take a pre-emptive action, it held that the proportionality of such measure was not there in this case, since there wasn't any damage suffered directly or indirectly, by RBI's regulated entities as a result of VC trading. Therefore, among other reasons, the impugned Circular dated 06-04-2018 was set aside on the ground of proportionality.

"We are thankful and enthralled by the Supreme Court judgement, two years' worth of efforts fighting for our rights has paid off. Our main objective is to create a dialogue with the policy makers including RBI and develop a comprehensive framework for crypto assets in India paving the way for innovation.



We as an industry body are looking forward to a more open dialogue with the Government of India (GOI)” said, Sohail Merchant, CEO, Pocketbits.in and an active member of the IAMAI’s BACC.

Naveen Surya, Chairman, Fintech Convergence Council of IAMAI, said “We welcome the Supreme Court verdict. Industry is looking forward to work closely with the regulators including The Reserve Bank of India to mitigate all possible risks related to Virtual Currencies and foster the growth of these game changing innovations. India is at forefront of all Digital and an inspiration to world, our balanced approach between risk and innovation can become role model for the world. We hope to achieve the same with guidance of the government as well as the regulators”

Harish B V, Cofounder, Unocoin, also a member of BACC, expressed his happiness and said “I am super excited as a founder and an individual petitioner as well for this Judgement after this long 2-year journey. This judgement opens the door for millions of Indians to Invest/ buy / sell crypto via bank accounts in a safe and responsible manner. Special thanks to Nishith Desai Associates, Jaideep Reddy (NDA) and Ashim Sood, our legal team”

IAMAI welcomes the Supreme Court’s landmark judgement on the allowing cryptocurrency exchanges to use banking facilities. IAMAI is also looking forward to working jointly with the Reserve Bank of India and Government of India on a constructive policy framework for cryptocurrencies in India, to support innovation along with suitable measures to keep the risk under control.

About IAMAI (Internet and Mobile Association of India)

Internet and Mobile Association of India [IAMAI] is a young and vibrant association with ambitions of representing the entire gamut of digital businesses in India. It was established in 2004 by the leading online publishers, and in the last 16 years has come to effectively address the challenges facing the digital and online industry including mobile content and services, online publishing, mobile advertising, online advertising, ecommerce and mobile & digital payments among others.

Sixteen years after its establishment, the association is still the only professional industry body representing the online industry in India. The association is registered under the Societies Act and is a recognized charity in Maharashtra. With a membership of nearly 300 Indian and overseas companies, and with offices in Delhi, Mumbai, and Bangalore, the association is well placed to work towards charting a growth path for the digital industry in India.

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