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India Maintains 30% Crypto Tax, With No Plans for Bitcoin ETFs

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India's Finance Ministry has reaffirmed its position on cryptocurrency taxation, confirming that the current 30% tax on digital asset gains will remain in place, alongside a 1% tax deducted at source (TDS) on transactions exceeding ₹10,000. At the same time, officials have indicated there are no immediate plans to approve Bitcoin or other cryptocurrency Exchange-Traded Funds (ETFs). This firm stance contrasts sharply with global markets, where regulatory approvals for crypto investment products are becoming more common.

Under the existing regime, investors face one of the highest tax rates on crypto profits worldwide. Combined with the lack of approved ETFs, the policy effectively limits access to regulated investment options, leaving many Indian crypto enthusiasts reliant on unregulated exchanges or offshore platforms. This has raised concerns within the industry that restrictive rules are driving talent, capital, and innovation abroad.

India remains a leading market for grassroots crypto adoption. Blockchain analytics firm Chainalysis ranks the country among the highest globally in bottom-up adoption, reflecting strong interest from everyday users despite policy hurdles. However, without regulated investment vehicles such as ETFs, market participation remains risky, particularly for newcomers lacking institutional safeguards.

Industry challenges have been compounded by security incidents. Indian exchanges WazirX and CoinDCX have both suffered major cyberattacks in recent years. In 2023, WazirX relocated its operations to Singapore following a \$230 million hack. CoinDCX also experienced a \$44 million exploit, underscoring the vulnerability of domestic platforms operating without comprehensive regulatory oversight.

Siddharth Sogani, CEO of blockchain research firm Crebaco, voiced his frustration over the policy environment, stating, “I’ve been struggling to get regulations for more than a decade. Nothing changed. I eventually shifted my business overseas.” His experience reflects a growing sentiment among crypto entrepreneurs who see little incentive to remain in a market where operational constraints outweigh opportunities.

Supporters of crypto regulation argue that a clear, balanced framework could help India tap into its large pool of tech-savvy youth and strengthen its position in the global digital economy. The approval of ETFs, they say, would make trading more secure, transparent, and accessible to millions of investors.

For now, India’s combination of high taxation, transaction levies, and reluctance to authorize regulated crypto investment products stands in stark contrast to the global trend of integration. Without meaningful reform, the nation risks falling behind in the race to shape the future of finance.