

India Risks Falling Behind as Global Momentum Builds for Crypto Regulation

July 14, 2025

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As major economies accelerate efforts to embrace cryptocurrency, India's lack of clear regulatory direction is drawing increasing scrutiny. The United States (US) and neighbouring countries like Pakistan and Bhutan are moving forward with structured frameworks, while New Delhi remains stuck in a state of indecision, despite rapid market growth and rising investor confidence globally.

Former US President Donald Trump has recently expressed strong support for cryptocurrency, even proposing the creation of a national **Bitcoin reserve**. His stance signals a notable shift among American conservatives, positioning digital assets as a pillar of future economic and monetary policy. In line with this, the US Congress is advancing legislation like the **CLARITY Act** and the **GENIUS Act**, aimed at providing legal certainty and encouraging innovation. Meanwhile, the Reserve Bank of India (RBI) continues to “monitor global developments,” but has yet to present a comprehensive domestic framework.

In South Asia, the momentum is equally strong. Pakistan has launched a **Pakistan Crypto Council** with Binance founder **Changpeng Zhao** as an advisor, marking a formal shift towards legitimacy and industry participation. Bhutan, too, is exploring blockchain integration for governance and financial services. These developments raise concerns about India missing out on first-mover advantages in a sector projected to be worth over **£2.74 trillion** globally.

Bitcoin (BTC) has surged past **£88,060**, with **Ethereum (ETH)** and other assets also gaining ground, driven by increased investor confidence amid clearer policy signals from global powers. Yet, India’s stance remains ambiguous. While the RBI is reportedly drafting a policy paper, there is little clarity on timelines, implementation, or engagement with private sector stakeholders.

Centre-right observers argue that this continued delay risks ceding strategic ground. India has long branded itself as a technology powerhouse, but that reputation is now at risk if it fails to keep pace with regulatory evolution. A cautious but proactive framework would provide

the legal clarity needed to attract domestic and international investment without compromising financial stability.

If India is to maintain its leadership in fintech and digital innovation, it must act decisively. Clear regulation, tailored incentives, and a commitment to responsible innovation would not only protect investors but also ensure that India remains competitive in a rapidly changing global economy. Delay, in this case, is not prudence; it's a missed opportunity.