



Cryptocurrencies Will Boost Illegal Transactions: RBI

- The Reserve Bank of India (RBI) informed the Supreme Court that dealing in cryptocurrency will encourage illegal transactions.
- According to the RBI, Cryptocurrencies are “a stateless digital currency” in which encryption techniques are used for trading and these ‘currencies’ operate independently of a Central bank, rendering it immune from government interference.
- An interdisciplinary committee headed by secretary of economic affairs **Subhash Garg** was set-up in 2017 to examine virtual currencies and recommend the regulatory framework for crypto currencies.
- The RBI had already issued a circular prohibiting use of these virtual currencies.

Cryptocurrency

- A cryptocurrency is a digital or virtual currency that uses cryptography for security.
- Cryptocurrencies use decentralized technology to let users make secure payments and store money without the need to use their name or go through a bank.
- They run on a distributed public ledger called blockchain, which is a record of all transactions updated and held by currency holders.
- The most common cryptocurrencies are Bitcoin, Ethereum, Ripple, and Litecoin.