CHAPTER III

**DIRECT TAXES**

*Income-tax*

**Amendment of section 2.**

**3.** In section 2 of the Income-tax Act,—

(*a*) in clause (12A), for the words "in the written form or as print-outs of data stored in", the words "in the written form or in electronic form or in digital form or as print-outs of data stored in such electronic form or in digital form or in" shall be substituted;

(*b*) in clause (42C), for the word "sales" occurring at the end and before *Explanation 1*, the word "transfer" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2021;

(*c*) after clause (47), the following clause shall be inserted, namely:—

'(47A) "virtual digital asset" means—

(*a*) any information or code or number or token (not being Indian currency or foreign currency), generated through cryptographic means or otherwise, by whatever name called, providing a digital representation of value exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account including its use in any financial transaction or investment, but not limited to investment scheme; and can be transferred, stored or traded electronically;

(*b*) a non-fungible token or any other token of similar nature, by whatever name called;

(*c*) any other digital asset, as the Central Government may, by notification in the Official Gazette specify:

**Provided** that the Central Government may, by notification in the Official Gazette, exclude any digital asset from the definition of virtual digital asset subject to such conditions as may be specified therein.

*Explanation*.—For the purposes of this clause,—

(*a*) "non-fungible token" means such digital asset as the Central Government may, by notification in the Official Gazette, specify;

(*b*) the expressions "currency", "foreign currency" and "Indian currency" shall have the same meanings as respectively assigned to them in clauses (*h*), (*m*) and (*q*) of section 2 of the Foreign Exchange Management Act, 1999. (42 of 1999).'.