

Disclosure of Crypto Assets in Election Affidavits

Public Interest Litigation (PIL) was filed by advocate and RTI activist Deepanshu Sahu seeking mandatory disclosure of Virtual Digital Assets (cryptocurrencies) by election candidates in Form 26, under the Representation of the People Act, 1951.

The petition highlights a regulatory gap despite cryptocurrencies being legally recognised as assets under tax and anti-money laundering laws.

Key Representations Made

- 21 March 2025:
Representation sent to the Election Commission of India (ECI) seeking:
 - Mandatory disclosure of cryptocurrency holdings by candidates.
 - Inclusion of a dedicated column for Virtual Digital Assets in Form 26.
 - Submission of certified supporting documents for asset disclosures.
- 24 March 2025: Representation sent to the Ministry of Finance requesting:
 - Coordination with ECI on crypto disclosures in election nominations.
 - Verification mechanism for crypto wallets through Income Tax systems.
 - Monitoring of potential misuse of crypto in elections.
- 01 August 2025: Follow-up representation sent reiterating the above concerns due to absence of any regulatory action.

Official Responses Received

- Ministry of Finance (05 May 2025):
Acknowledged the representation and stated that the concerns and suggestions have been “noted and will be factored in while formulating policy”.
(No specific commitment or timeline provided.)
- Ministry of Law & Justice (13 June 2025):
Clarified that the subject matter does not fall within its jurisdiction and pertains to the Election Commission of India.
- Election Commission of India:
No substantive response or policy decision communicated on the representations till date.

Current Status

- Cryptocurrencies remain undisclosed by default in election affidavits.
- No amendment yet to Form 26 or election disclosure rules.
- The matter is now pending policy consideration by the Union Government, pursuant to the High Court's direction.

Why It Matters

- Crypto assets are already:
 - Taxed at 30%.
 - Covered under anti-money laundering laws.
- Absence of mandatory disclosure in elections raises concerns on:
 - Transparency.
 - Electoral finance accountability.
 - Voters' right to information.