

# New I-T law coming, will track digital assets, says FM

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Finance Minister Nirmala Sitharaman on Tuesday said the government proposes to strengthen the legal provisions to track digital assets under the new Income Tax Bill, 2025. The previous Income Tax Act did not provide adequate legal backing for investigating digital assets, prompting the government to introduce specific measures in the proposed legislation.

Parliament will take up the new Bill during the monsoon session and once enacted, it will replace the over six-decade-old Income Tax Act.

## FINANCE BILL PASSED

"The Income Tax law did not give legal backing to check digital assets, so have included it. Added checking of digital elements in the Income Tax Act... law should give legal backing," Sitharaman said while replying to the discussion on the Finance Bill in the Lok Sabha.

The House passed the Finance Bill with 35 amendments, including one that removes the equalisation levy on online advertisements, effective from April 1.



Finance Minister  
Nirmala Sitharaman

The Finance Minister highlighted that digital forensics played a crucial role in unearthing unaccounted money. "Encrypted messages on mobile phones led to unearthing ₹250 crore unaccounted money. Evidence from WhatsApp messages of crypto assets has been detected. WhatsApp communications helped unearth ₹200 crore of unaccounted money," she said.

Sitharaman said that Google Maps history was used to determine the locations frequently visited to hide cash, and Instagram accounts analysed to establish benami property ownership.

The new Bill gives tax officers powers to override the access code of computer systems and virtual digital space, including online trading and investment accounts

as well as cloud servers, in search and seizure cases.

As per the Bill, virtual digital space encompasses any digital realm that allows users to interact, communicate and perform activities using computer systems, computer networks and communication devices, and includes email servers, social media accounts, online investment accounts, trading accounts, banking accounts, etc; any website used for storing details of ownership of any asset; remote server or cloud servers; and digital application platforms.

## BETTER COMPLIANCE

Talking about compliance, she said more than 30,000 taxpayers revised their I-T returns or filed belated returns and declared additional foreign assets and income of about ₹30,300 crore.

"We carried out a 'nudge' campaign in which we nudged taxpayers to voluntarily disclose their foreign income and assets," she said.

As a result of the campaign, she said out of 19,501 taxpayers, a total of 11,162 taxpayers revised their returns and filled out Schedule Foreign Assets Form, declaring total assets of ₹11,259.29 crore and disclosing foreign income of ₹154.42 crore.