
CRYPTOCURRENCY REGULATION: A DESCRIPTIVE CASE STUDY ON THE POLICIES OF INDIA, VIETNAM, AND THE REPUBLIC OF THE PHILIPPINES

¹Dr.M.Ramya Sree, ²Kamakshi Kashvi Kotagiri, ³Sai Priya Lalana Agastyaraju, ⁴Sreshta Reddy Kannareddy and ⁵Tarun Baratam

¹Assistant Professor, Department of Business Management, Koneru Lakshmaiah Education Foundation

^{2, 3, 4, 5}Department of Business Management, Koneru Lakshmaiah Education Foundation

ABSTRACT

The impact of cryptocurrency on the global economy is enormous. It has brought about changes both positive and negative. However, the advantages of cryptocurrency are far-reaching for many of its users who experience financial and economic inequality, causing its prevalence in lower-middle income countries. This development has caused the governments in these countries to tackle the complicated legal implications that follow. This paper aims to examine the regulatory trajectories and compile the legislation put in place in the countries of India, Vietnam and the Republic of Philippines and how each country has reckoned with this asset.

Keywords: *cryptocurrency, digital currency, digital assets, policy, instruments, regulation, legal treatment*

1. INTRODUCTION**1.1. CONTEXT**

Everyday we make greater strides in technological development, which has resulted in many institutions and services being increasingly digitized. A recent development that is located at this intersection of technology and convention is cryptocurrency. After being first introduced to the world in 2009, cryptocurrency has quickly proven itself to be extremely successful, growing a market capitalization that has been valued at an estimated 3.9 trillion USD in 2025. It has generated interest in middle low-income countries whose citizens have shown themselves to be some of the highest adopters of technology according to Global Crypto Adoption Index 2025 (chainalysis, 2025) where India ranks number one and Vietnam at four and the Philippines at number nine. The reason for this can be traced to the continued lack of access to traditional financial institutions as well as general instability in those regions. Despite these reasons, the legal treatment of cryptocurrency and related services by the state remains varied, from supportive frameworks to complete or partial restrictions on usage.

1.2. RESEARCH OBJECTIVES

This paper is a descriptive case study of the different approaches of the governments of India, Vietnam and the Republic of Philippines that seeks to achieve the following objectives:

- The primary objective of this paper is to identify the historical and current legal status of cryptocurrency in the aforementioned countries and the primary bodies involved in its regulation.
- Analyze and compare the stances taken in the rules and framework surrounding the usage of cryptocurrency in each country and identify key policy instruments in the projects undertaken by respective statutory bodies.

2. LITERATURE REVIEW**2.1. ARCHITECTURE**

Cryptocurrency is a type of digital currency that can be used as a virtual medium of exchange. It can only exist online as an intangible asset supported by blockchain technology. Blockchain technology is capable of verifying transactions, which improves transparency and eliminates any involvement from intermediaries. It allows the buyer and seller of digital currency to interact directly and trade with each other to complete the transaction.

The value of cryptocurrency is speculative, meaning it depends entirely on the buyer's perception and the amount they are potentially willing to pay for the coins. Identified by [Usman W. Chouhan et al], the market essentially involves two activities: production and selling which in the market are colloquially referred to as mining and transaction. A buyer initiates the transaction on a cryptocurrency site using a wallet which "broadcasts" the details of their request to the users of the network. This transitions into the "mining" part of the market where new coins are created by solving complex mathematical puzzles using computational power [Ghimire and Selvaraj et al]. When an individual user solves a problem, a new block is added to the blockchain, this validates the transaction. The participants receive the transaction fees and a new coin. Cryptocurrency, therefore, is divorced from third-party involvement, decentralized, and immutable.

2.2 LITERATURE GAP

A thorough analysis of the literature surrounding cryptocurrency shows a disproportionate focus where researchers tend to focus more on high-income countries with developed economies or country-specific regulations. Papers that examine the growth of crypto in lower middle-income countries and analyze their specific approaches are required for the following reasons:

- **Slow Adoption of Regulation:** The focus on high-income countries in literature, has resulted in a lower number of articles offering policy recommendations that are tailored to the political and economic climate of each nation. And while country-specific recommendations are available, cross-country analysis of regulations in comparable economies can reveal deficiencies in policy that have previously been overlooked.
- **Economic and Cultural Context:** The geographical location of many Asian countries provide with shared history and similar cultural values. Therefore, regulatory policies in Asia are shaped by similar cultural forces. This facilitates statutory bodies to potentially use insights gathered from another country's policy to frame their own rules and regulations surrounding digital assets like cryptocurrency.
- **Data Availability:** The gap in literature also creates uncertainty for potential investors due to a lack of comprehensive figures which can impact the economic development of the countries in question.

3. RESEARCH METHODOLOGY

3.1. RESEARCH DESIGN

The primary research method is a descriptive competitive case study that details the regulations set in place by statutory bodies in India, Vietnam and the Philippines in chronological order along with the specifics of each legislation. This facilitates a comparison between the approaches of the three countries towards the regulation of digital assets.

3.2. CASE SELECTION

The selection of India, Vietnam and the Philippines was determined based on:

- **High Adoption:** All three countries showcase high adoption rates and interest in cryptocurrency facilitating a need for comparative analysis
- **Comparative Economy:** these three countries were classified by the World Bank as lower middle-income countries with GNI capita of \$1,136-\$4,495 in 2024 (World Bank, 2024-26).

3.3 DATA COLLECTION

Data for the report was collected from a variety of sources including:

- **Primary Sources:** Include circulars, press releases, official statements and reports from statutory bodies such as the Reserve Bank of India, Bangko Sentral ng Pilipinas and the State Bank of Vietnam.
- **Secondary Sources:** Academic sources such as research journals (for data on cryptocurrency perception and adoption), as well as figures and dates from firms like TRMLabs, Statista, chainalysis, CoinGeek, Coinpedia, Binance, and Freeman Law and organizations specific to each country such as Vietnam Briefing.

4. CASE STUDIES

4.1. India: Evolution of Legislative Framework from Prohibition to Regulation

The cryptocurrency market in India averages a revenue of USD\$81.2 per user as of 2025. It is only expected to grow come 2026 with the number of users projected to reach 123.35 million users and the market itself reaching USD\$10.0bn (Statista, 2025). The earliest transactions using cryptocurrency were identified as early as 2012 according to [Shailak Jain et al]. This development was clearly a cause for alarm according to the Reserve Bank of India which released circulars cautioning users against the use of unregulated digital currency. (RBI,2013, 2017)

However, interest in cryptocurrency only continued to grow as evidenced by a few factors:

- **The introduction of exchanges following the RBI circular:** Unocoin was established on December 15th, 2013, followed by Coinsecure and Zebpay in 2014 and 2015, respectively.
- **Increase in the number of businesses accepting cryptocurrency:** The listings on these platforms showcase that the industry has noticed a significant user base that will utilise these services and is taking steps to service them.
- **Growth of exchanges:** showcases an interest in the part of consumers.

In 2018, the Reserve Bank of India instituted a ban on financial institutions preventing them from offering any services related to virtual currency based on concerns related to tax evasion, money laundering and security risks through a circular titled, “Prohibition on dealing with Virtual Currencies” (RBI, 2018). This was followed on March 4th 2020, by the Supreme Court overturning this rule allowing exchanges to operate legally on the grounds of “proportionality” as the RBI had failed to show any evidence related to adverse impact on institutions governed by it. On November 23rd 2021, the “Cryptocurrency and Regulation of Official Digital Currency Bill” was listed for introduction in the Lok Sabha Parliament aimed at creating a framework for a government approved official digital currency while preventing functioning of private exchanges but was never introduced. During the Union Budget 2022 speech, a tax of 30% was introduced for Virtual Digital Assets (VDAs) which included cryptocurrency (Budget 2022-23). December 2020 saw the launch of India's CBDC (Central Backed Digital Currencies) pilot: the RBI's first retail, e-rupee pilot (Ministry of Finance, 2022). March 7th 2023, saw the Ministry of Finance introduce a new clause to explanation 2 in Section 194S of the Income Tax Act, 1961 clarifying the definition of VDAs and the application of TDS provisions to offshore exchanges when serving Indian users (Income Tax Department, 2023). To bring in the industry with global anti-money laundering standards, the Ministry brought in all VDA related activities under the purview of the Prevention of Money Laundering Act (PMLA, 2022). India ranked first on the Crypto adoption ranking in 2024 with Reserve Bank of India Governor Shaktikanta Das noting an increased interest in the market (TRMLabs, 2024-25).

To summarize, India shows a strict consumer protection through PMLA and AML compliance and a inclination to incorporate Virtual Digital Assets into the country's financial instruments through the CBDC project.

4.2. Republic of the Philippines: Collaborative Framework for Virtual Asset Regulation

Cryptocurrency first gained traction in the Philippines around 2014 when Bitcoin companies like Coins.ph and Rebit.ph began offering their services to the public. Noticing the growing interest and number of users, the **Bangko Sentral ng Pilipinas (BSP)** issued a circular the same year to increase awareness of the risks of virtual currency trading, namely, “**Advisory on Virtual Currencies (VCs)**”(AML Council, 2014). On February 6th, 2017, the BSP issued Circular No. 944, s. 2017: “**Guidelines for Virtual Currency (VC) Exchanges**” to establish a regulatory framework for virtual currency exchanges bringing them under the governance of the BSP and mandating **Anti-Money Laundering (AML)** as well as **Counter-Terrorist Financing (CFT)** compliance (BSP, 2017). This step in turn contributed to further attention being drawn to cryptocurrency and the increase in the number of fraudulent **ICOs (initial coin offerings)** causing the **SEC (Securities and Exchange Commission)** to act and govern virtual currency in the country, along with the BSP. However, interest in VCs continued to rise with local banks launching their own cryptocurrency, such as PHX by UnionBank in July 2019. A study in 2019 by [Mark P.Doblas et al] also showed that while the public was skeptical of cryptocurrency, they still showed positive responses towards its usage as a medium of exchange. BSP Circular No. 1108 (2021) “Rules and Regulations Governing the Operations of Virtual Asset Service Providers (VASPs)” increased the scope of Regulation to include custodial wallets and strengthened risk-based AML/CFT requirements and while setting minimum capital requirements for VASPs (BSP, 2021). This circular also changed the official term from VCEs to VASPs to align with the international **Financial Action Task Force (FATF)** terminology.

Applications were paused for new VASPs in 2021, to improve focus on supervising existing authorities. It was lifted in 2023 (BSP, 2021). In 2022, the “Financial Products and Services Consumer Protection Act” was implemented to ensure protection of consumers against digital currencies such as cryptocurrency (Republic of Philippines, 2022). The partnership with the **Philippine Bureau of the Treasury (BTr)** with PDAX in 2023 to offer tokenized bonds demonstrated a new direction in the attitude of the state institutions towards cryptocurrency and related assets (BTr, 2023). Project **CBDC(Central Backed Digital Currency)** was launched to increase efficiency and safety of the national payment system under the frameworks of Circular No. 1108 and the updated Circular No. 1152 and 1153. Part of this wholesale project is Project Agila which enables inter-institutional fund transfers even during off-business hours or when PhilPaSSplus (it is the lone Peso Real-Time Gross Settlement (RTGS) system in the Philippines, owned and operated by the **Bangko Sentral ng Pilipinas (BSP)** is unavailable (BSP, 2025).

Project Agila has completed its trial run as of December 2024. SEC Memorandum Circular No. 09-2024 announced the creation of a sandbox to provide a supervised environment for testing of digital currency-related services, which would influence future regulation in the sector (CoinGeek, 2025). Then followed the SEC Guidelines on the Operations of **Crypto-Assets Service Providers (CASP Guidelines)** which invited comments from interested parties until April 26th (CoinGeek, 2025). To demonstrate that the government has adopted distributed ledger technology, a blockchain-based document verification system was launched on July 30th 2025, by the Department of Budget and Management on the Polygon network (CoinPedia, 2025).

A bill was introduced to purchase 2,000 Bitcoin annually over a five-year period and build a reserve of 10,000 bitcoins and hold it in trust for a minimum of 20 years to ensure long-term security and value in August 2025 (Republic of Philippines, 2022).

In summary, the Republic of Philippines values collaboration and development of inclusive policy and technology that reduces the possibility of crime, financial or otherwise.

4.3. Vietnam: Uniting Divergent Approaches:

As of September 2025, Vietnam has the third-largest cryptocurrency market in Asia, exceeding \$220 billion (VnEconomy, 2025). According to a survey around 18.73% of Vietnamese citizens own cryptocurrency with the highest users being reported among 18–34-year-olds at 70% (Triple-A). A study in March 2025 by [Nguyen TL, Sipko J, Pham VK et al] shows that 59% of their respondents had experience trading in crypto and while open to using it still demonstrated caution due to lack of regulation. Cryptocurrency first appeared in Vietnam around the end of 2013 and beginning of 2014 by [T.T. Dang et al] in the form of Bitcoin being used as a payment method by domestic businesses. It was only on August 21st 2017 that the first rules to regulate any types of crypto, digital and virtual currency were set in place within the country, through Decision 1255 (Binance, 2024).

On October 28th of the same year the State Bank of Vietnam (SBV) declared that the issuance, supply, or use of illegal payment methods (including Bitcoin and other similar virtual currencies) was illegal and punishable with a fine up to 200 million VND, however, users were free to invest in them. A directive was assured by the director on April 11, 2018 including three mandates to regulate virtual assets and currencies. The Ministry Of Justice in Feb 2019, proposed three different policies to the government (Freeman Law). SBV was directed to start working on a blockchain-based pilot project in May 2020 by Prime Minister Pham Minh China. A research group was also established by the Finance Ministry to review and develop regulatory policies as part of the blockchain project (Vietnam Briefing, 2022).

In 2022, Vietnam had the second largest cryptocurrency market among ASEAN countries and was also ranked first in global crypto adoption index (Triple A, 2025). This prompted the passing of AML regulations for cryptocurrency providers which came into effect in 2023. “Action Plan to Implement Resolution 57” was implemented in January 2025 providing a framework for programs to support emerging technologies. The Ministry Of Finance on April 17th, 2025, announced a crypto regulatory sandbox to control risks associated with virtual assets. On June 14th, 2025 “Law on Digital Technology Industry” was announced aiming to create a regulatory framework that classified digital assets and excluded securities or digital fiat currencies. It is set to come into effect beginning January 1, 2026. The government launched an NDAchain on July 25th, 2025 to address security in digital ecosystems (Tilleke & Gibbins, 2025) (Coinpedia, 2025).

In conclusion, Vietnam values security through AML regulation and research into technology to facilitate inclusion of cryptocurrency to act as an instrument for economic development.

5. CROSS COUNTRY COMPARATIVE ANALYSIS:

A common thread among all three countries is the high degree of adoption among citizens and industry and the cautionary approaches of the government and its institutions in regulating cryptocurrency and related services through legislature. The degree of stringency in their regulations varied between nations, however.

- **India:** India's policy shows a high degree of conservatism initially with the RBI circulars and prohibition of any related services aiming at consumer protection. This restriction also demonstrates a priority in safeguarding against financial instability and awareness of potential fraudulent activity. However, with the growing interest in digital currency globally, the government shifted its policy to instead provide credible, state-backed digital assets through the Digital Rupee project and utilizing revenue tax to improve the economy. Regulations became stricter and more specific to include PMLA and AML to curb criminal activity.
- **The Republic of the Philippines:** The Philippines had a more liberal approach after an initial period of caution. The growing direction in digital currency was met with iterative improvements to their policy by mandating AML and CFT, broadening the scope of their policy to account for any deceptive practices. However, the government showed an adaptable stance that combined policy with institutions to embrace the benefits crypto could bring through Project CBDCPh, Project Agila and collaborated with the industry to minimize risk and maximize potential (through the sandbox). To increase trust among the public the government launched a blockchain document-verification system and created a reserve of coins to showcase a true commitment on their part to adopt this venture.

- **Vietnam:** Vietnam's policy maintains a balance between the practical and pragmatic approach of India as well as the innovative and enthusiastic policy of the Philippines. Though initially any payments were declared illegal and met with a fine, the government soon pushed for blockchain-based projects and research for future policy decisions. Regulations focused on proper classification of digital assets while launching a sandbox project and an NDAchain for increased security.

6. CONCLUSION

It is clear from the increasing figures every year that cryptocurrency is an attractive prospect to many citizens. Therefore, restriction of digital assets is no longer an option for governments. Institutions have to walk a fine line between balancing the interest of consumers with inclusion in policy through research and collaboration to offer credible state-backed solutions to the users. Strict enforcement of AML, PMLA and CFT rules along with clear definitions of what constitutes a digital asset, and minimum capital requirements must be set to improve consumer protection and curb risk. Each country's rules show similar concerns but also reflect the individual nation's institutional capacity and economic priorities.

7. REFERENCES

1. Chohan, Usman W, Cryptocurrencies: A Brief Thematic Review. SSRN Electronic Journal. 2022.
2. Suman Ghimire, Henry Selvaraj, A survey on Bitcoin Cryptocurrency and its Mining. Proceedings of the 26th International Conference on Systems Engineering (ICSEng). 2018.
3. Statistia. Cryptocurrencies – India. 2025. Available from
4. Shailak Jani. The Growth of Cryptocurrency in India: Its Challenges & Potential Impacts on Legislation. 2018.
5. Reserve Bank of India. RBI prevents the risk of virtual currencies for users. December 24th, 2013.
6. Reserve Bank of India. RBI warns users of virtual currencies. Feb 1st, 2017.
7. Reserve Bank of India. Prohibition on Dealing in Virtual Currencies (VCs). April 6, 2018.
8. Income Tax Department. Virtual Digital Assets – help article (n.d.).
9. Ministry of Finance, Government of India. Budget 2022-23: Speech of the Minister of Finance. Feb 1, 2022-23.
10. Press Information. Central Bank Digital Currency (CBDC) pilot launched by RBI in the retail segment has components based on blockchain technology. Posted December 12, 2022.
11. The finance act 2022.
12. The Prevention of Money Laundering Act, 2022.
13. TRMLabs. Global Crypto Policy Review and Outlook 2024/2025b.
14. The Firm. Cryptocurrency and Taxation in India: key updates. 2023.
15. Anti-Money Laundering Council (Philippines). Warning Advisory on Virtual Currencies. March 6, 2014.
16. Bangko Sentral ng Pilipinas. CIRCULAR NO. 1108 Series of 2021: Guidelines for Virtual Asset Service Providers (VASP). Jan 26, 2021.
17. Bangko Central ng Philipinas. Memorandum M-2022-035: Guidelines to permit the use of Blockchain - based Technologies for undertakings in developing the digital payments ecosystem. 2022.
18. Bangko Central ng Philipinas. BSP selects technology for pilot CBDC projects. Sept 6, 2023.
19. Republic of the Philippines. Republic Act No. 11765: An Act Affording More Protection to Consumers of Financial Products and Services. May 6, 2022.
20. Coinpeda Team. Cryptocurrency regulations in the Philippines 2023. Aug 26, 2025.
21. CoinGeek. Philippines opens the sandbox for “crypto” service providers. April 23, 2025.
22. CoinGeek. Philippines draft ‘crypto’ rules with possible exemptions. April 17, 2025.
23. Republic of the Philippines. House Bill No. 421: An Act Creating the Strategic Bitcoin Reserve and Appropriating Funds Therefor. 2025.

24. Bureau Of The Treasury, Republic of the Philippines, Press Release: Btr All Set To Offer PH's First-Ever Tokenized Bonds. November 16, 2023.
25. Tiu, Michael Angelo T. "Basic Information and Regulation of Cryptocurrency in the Philippines and Other Association of the Southeast Asian Nations Member States." *NTRC Tax Research Journal*, vol. XXXIV, no. 6, Nov.-Dec. 2022
26. Tilleke & Gibbins. (n.d.). Vietnam's emerging regulatory landscape for blockchain and cryptocurrency.
27. VnEconomy. Vietnam's crypto market value tops \$220 bln, ranks third in Asia. 2025.
28. Triple-A. Cryptocurrency ownership Vietnam 2022.
29. Nguyen TL, Sipko J, Pham VK. Cryptocurrency in Vietnam: a deep dive into adoption factors and their interactions. *Journal of Open Innovation: Technology, Market, and Complexity*. 2025.
30. Dang TT. Current situation of cryptocurrency in Vietnam. *Journal of Business, Economics and Environmental Studies*. Print ISSN: 2671 -4918 / Online ISSN: 2671-499X. Doi:10.13106/jbees.2019.vol9.no4.29
31. Vietnam Briefing. Vietnam tasks government agencies to prepare legal framework for cryptocurrencies, virtual assets. April 11,2022.
32. Freeman Law. Vietnam and cryptocurrency. (n.d.).
33. Binance. Crypto regulations in Vietnam: overview and compliance. 13 June, 2024.
34. Coinpedia Team. Cryptocurrency regulations in Vietnam. 2025.
35. The Chainalysis 2025 Global Adoption Index.
36. World Bank. (n.d.). Middle Income Countries.
37. Visual Capitalist. (2025, August 7). *The world's biggest cryptocurrencies in 2025* [Infographic]. Visual Capitalist.