Regulatory Challenges of Crypto-Currency and The Future Of Real Estate Transactions: An Analysis In The Light Of Global Practices

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Abstract

The way that virtual currencies, or cryptocurrencies, are integrated with blockchain technology is completely changing the real estate market. This investigation explores the possibility of using cryptocurrencies in real estate deals in India. A decentralised and transparent substitute, cryptocurrencies promise decreased fees, quicker payouts, and possibly even less fraud. It's not easy to navigate this new territory, though. It might be challenging to locate vendors who are ready to take cryptocurrency, and regulations pertaining to it are still unclear in India. This article will examine India's legal environment, including the Indian Contract Act and the Foreign Exchange Management Act (FEMA), in order to determine whether it is feasible. Although FEMA does not provide specific provisions on cryptocurrencies, it is possible that existing legal concepts may recognise smart contracts, which are employed in bitcoin transactions. This article will also offer a sustainable roadmap for the Indian real estate sector by analysing successful global practises. It will place a special emphasis on developing international cooperation, educating stakeholders, and establishing clear regulations in order to fully realise the potential of cryptocurrencies in the country's real estate market.

Objectives of the Paper: The paper is based on the following objectives to achieve.

1. To examine the legality of crypto currency transactions in the real estate industry in India.
2. To analyse the global trends about the adoption of crypto currency and block chain technology in the real estate industry.
3. To pave a pathway for better understanding the nuances of the use of crypto currency and block chain technology in such transactions in India, the USA and the UAE.

KEYWORDS: Crypto currency – Block chain – Legal Regulation – Real Estate Transactions- Global Practices- US, UAE and India - Challenges and the Roadmap Ahead.

1. INTRODUCTION:

In the constantly evolving framework of the modern economy, the integration of cryptocurrencies into traditional sectors has been nothing short of revolutionary. The usage of virtual currencies and blockchain technology is causing significant changes in a number of industries, including real estate, which is affecting the way individuals buy, sell, and transfer real estate internationally. Since Bitcoin and several other

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digital currencies initially appeared, they have developed into a decentralised, transparent, and secure method of payment. .

The technology behind these virtual currencies, the blockchain, ensures an unhackable transaction history through its distributed ledger function.[2] The inherent security and openness of blockchain technology have piqued interest in real estate transactions by promising more accessibility, reduced fraud, and increased efficiency.

Just one year after Bitcoin gained popularity, the first-ever bitcoin real estate transaction occurred in the United States. A Vermont homeowner used Ethereum blockchain technology to sell her house on the real estate website Propy, a software company that encourages self-driving real estate transactions. Since then, numerous cryptocurrency-based real estate transactions involving Bitcoin, Ethereum, Litecoin, and even the meme currency Dogecoin have taken place in the US and Dubai.[3]

But is it possible that the Indian environment would also witness this scenario coming to pass? This can be understood by considering whether it is feasible to transact real estate in India using bitcoins. Whether the RBI and the Indian government accept the money as legitimate legal tender will undoubtedly determine this. The legal system needs to adapt in order to manage the subtleties of blockchain-based real estate transactions. This entails addressing issues with contract enforceability, ownership verification, and regulatory compliance.

The benefits and drawbacks of utilising cryptocurrency in real estate deals are examined in this article. Through an analysis of global case studies and examples, it also looks at the legal ramifications of this emerging confluence, exploring its implications and potential future paths. Lastly, it forecasts the use of cryptocurrencies in real estate and provides suggestions for both industry practises and a practical, long-lasting regulatory framework.

2. ADVANTAGES AND DISADVANTAGES OF USING CRYPTO IN REAL ESTATE:

Since the real estate industry mainly depends on established financial institutions and paperwork, it is generally recognised for moving slowly. But now that cryptocurrencies are becoming more and more popular, one concern is raised: may digital assets be used in real estate transactions? Even if this concept is still in its early stages, it is crucial to weigh the possible benefits and drawbacks of integrating cryptocurrency into the real estate industry. This section will examine both viewpoints and examine the advantages and disadvantages of incorporating cryptocurrencies into the real estate investment market.

2.1. Advantages:

[2] Venkat Narayana Rao, T., Likhar, P. P., Kurni, M., & Saritha, K. (2022). Blockchain. Blockchain Technology for Emerging Applications, 33–66. https://doi.org/10.1016/b978-0-323-90193-2.00004-1

[3] American Home Shield. (2022, September 12). Crypto and real estate: Can you buy A House with cryptocurrency?. American Home Shield: Best Rated Home Warranty Company. https://www.ahs.com/home-matters/homebuyer-hub-resources-and-guides/crypto-and-real-estate-can-you-buy-a-house-with-cryptocurrency-/

a. Better Deal: A special opportunity has emerged in the real estate market as a result of the rise of cryptocurrencies: possible reductions for incisive purchasers. The reason for this is the rise of two different investor groups. While traditional buyers depend on traditional financing, a new generation of cryptocurrency-wealthy people is keen to enter the real estate market in order to diversify their assets. In negotiations, it can be important to know whose group you are negotiating with. A more flexible and negotiable transaction may result from sellers who are also bitcoin fans being more willing to accept cryptocurrency payments. Because of their willingness to consider other offers or somewhat lower prices in exchange for a quicker, cryptocurrency-based sale, sellers that are friendly to cryptocurrencies may be more flexible with pricing, which benefits the buyer.[4]

b. Little to No Reliance on Traditional Documentation: NFTs can be utilised as digital lease and rental agreements, digital title deeds, and as a means of proving property ownership. This can reduce the requirement for tangible documentation, improving the efficiency and security of the ownership transfer procedure. By automating the transfer procedure, smart contracts can eliminate the need for middlemen. The acquisition of land is facilitated by smart contracts. The buying process proceeds without any hitches, delays, or middlemen. Your direct business partner is the real estate agent. Therefore, it requires less time and effort to purchase a property.

Using traditional money comes with exchange fees, broker fees and investment fees among other costs. The fees can quickly mount up. One can profit from very few and extremely inexpensive transfer costs in addition to instantaneous transfers when using cryptocurrency. Investors stand to gain from this. Smart contracts provide peace of mind to individuals who are still hesitant to use cryptocurrencies for money transfers by ensuring that they are abiding by all real estate regulations.[5]

b. Secure and Fast Transactions: Security is one of the biggest benefits of using cryptocurrency for real estate payments. The foundation of cryptocurrencies is blockchain technology, which offers a safe, tamper proof method for transactions. You can give participants to the real estate transaction an additional degree of security by using a cryptocurrency payments system.

Further, For real estate enterprises, requesting and receiving payments from foreign investors and clients can become a laborious task within the conventional banking system. Reducing these expenses and staying competitive in today's global market can be achieved by using a crypto payments gateway. Reduced transaction costs, quicker transfer times, and fewer middlemen are all benefits of a cryptocurrency payments gateway. Sending and receiving money is made easier by removing the constraints of traditional payment methods, including the ability to accept payments in several currencies.[6]

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[4] Realty, T. P. (2022, June 28). Crypto real estate: Buying a house with cryptocurrency and Bitcoin. Piramal Realty. https://www.piramalrealty.com/blog/post/global-crypto-real-estate-buying-a-house-with-cryptocurrency-and-bitcoin/

[5] Vernon, H. (2022, February 15). Buying property with cryptocurrency: Pros and cons . Benoit Properties. https://www.benoitproperties.com/news/buying-property-with-cryptocurrency-pros-and-cons/

[6] 4 benefits of using crypto payments for Real Estate. uQualify. (2023, June 29). https://uqualify.co/udiscover/blockchain-technology/using-crypto-payments-for-real-estate/

Traditional property transactions can take weeks, sometimes even months. Utilizing cryptocurrencies can expedite deal closings as they clear within minutes rather than days.[7] Because blockchain technology does not require middlemen and reduces paperwork, it can significantly lower the cost of real estate transactions. Smart contracts can be used to automate numerous transaction procedures, which minimises errors and lowers administrative expenses. Furthermore, fraud and double-spending are less common thanks to blockchain's unchanging transparency and integrity.[8]

Real estate is an extremely valuable financial asset, regardless of how it is bought. Purchasing it using Cryptocurrency removes the need to borrow money or sell off other investments.

2.2. Disadvantages and Limitations:

a. Limited sellers: While the concept of using cryptocurrencies in real estate transactions seems promising, the first challenge may be locating the ideal property and agent. In contrast to conventional funding or cash alternatives, Bitcoin is still a relatively new player in the real estate sector. For a variety of reasons, many foreign real estate firms and sellers are still reluctant to adopt cryptocurrency. Tax ramifications are a big worry because cryptocurrency transactions can be complicated tax-wise, and some sellers might not want to venture into an untested area. This effectively narrows down the number of sellers who accept cryptocurrency payments, hence limiting the scope of your search. In a situation like this, it is even more important to find a real estate agent who understands cryptocurrency and can help you through these complications.[9]

b. Regulation & Taxation difficulties: The world of real estate taxes is already complicated enough without adding more complexity, especially when utilising Bitcoin for transactions. This is due to the existing lack of global legislation around cryptocurrencies. Sales of cryptocurrencies might result in unclear and difficult-to-manage capital gains, in contrast to established currencies with well-defined tax regulations. The ambiguity arises from the constantly changing legal and regulatory framework surrounding cryptocurrencies and blockchain technology. Governments everywhere are still having difficulty deciding how to categorise and control these digital assets. Both buyers and sellers are left with uncertainty as a result of this lack of transparency. The regulatory status of tokenized property, real estate ownership reflected on a blockchain remains unclear, and there may be difficulties in the legal recognition of blockchain-based real estate transactions. Due to the possibility of future legal challenges or unanticipated tax ramifications for both parties, these uncertainties carry a high risk.[10]

c. Standardization Issues: The existing fragmentation of blockchain technology may make a seamless real estate transaction more difficult. In contrast to conventional systems that follow pre-established protocols, several blockchain platforms function according to their own rules and languages. Interoperability problems are brought

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[7] ibid

[8] Tamplin, T. (2023, September 8). Blockchain in real estate: Mechanism, benefits, and limitations. Finance Strategists. https://www.financestrategists.com/wealth-management/blockchain/blockchain-in-real-estate/

[9] Supra note 3.

[10] Supra note 7.

about by this lack of standardisation. It might not be possible to read the data on a flash drive formatted for one machine on another. Analogously, information kept on one blockchain platform might not be readily movable or functional on another. This poses a serious challenge for real estate agents. It becomes a difficult and maybe costly task to integrate these blockchain technologies with the current real estate systems, which most likely rely on more conventional databases. For widespread adoption in the real estate sector, a smooth workflow, where data moves easily between various blockchain platforms and legacy systems is essential. These interoperability problems are likely to remain a barrier to blockchain technology adoption until a more standardised method is developed.[11]

d. Hacking and other System Vulnerabilities: Blockchain technology has established a strong reputation for its security protocols. Still, it's critical to recognise that no system is perfect. Blockchain networks can still be vulnerable to hacks and vulnerabilities even with its distributed ledger and cryptography protections in place. These security lapses might have serious consequences.[12] A malicious actor may be able to compromise a blockchain network, which might have a cascading effect on the security and legitimacy of every transaction ever made on that specific blockchain. This possible weakness presents issues for blockchain-based real estate transactions. For both buyers and sellers, a corrupted network can raise questions about the veracity of ownership documents, titles, and smart contracts. Consequently, the particular blockchain platform being used for real estate transactions needs to be carefully considered, with an emphasis on its security record and the possible repercussions of a network breach.[13]

3. LEGAL FRAMEWORK & CHALLENGES IN INDIA:

a. The Foreign Exchange Management Act, 1999:

Since it was drafted prior to the emergence of cryptocurrencies, the Foreign Exchange Management Act (FEMA) of 1999 does not specifically address their function in real estate transactions. While currency is defined in Section 2(h) of the FEMA, cryptocurrency is not specifically mentioned in this section.[14] The Reserve Bank of India (RBI) has provided clarification on how cryptocurrencies are classified under the FEMA framework in response to a request made in accordance with the Right to Information (RTI) Act. According to the RBI, there has been no formal notification from the RBI classifying cryptocurrencies as such, and therefore does not meet the definition of money as stated in Section 2(h) of the FEMA. Because of this, the RBI does not view bitcoins as currency under the FEMA.[15]

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[11] Ibid.

[12] Castonguay, J. Jack, & Stein Smith, S. (2020). Digital Assets and blockchain: Hackable, fraudulent, or just misunderstood?*. Accounting Perspectives, 19(4), 363–387. https://doi.org/10.1111/1911-3838.12242

[13] https://www.financestrategists.com/wealth-management/blockchain/blockchain-in-real-estate/ supra

[14] Foreign Exchange Management Act 1999, 2(h) (1999)

[15] Rajpurohit, N. S. (2023, November 14). Lost in transaction: Legal ambiguities in cross-border cryptocurrency payments - fin tech - India. Lost In Transaction: Legal Ambiguities In Cross-Border Cryptocurrency Payments - Fin Tech - India. https://www.mondaq.com/india/fin-tech/1388794/lost-in-transaction-legal-ambiguities-in-cross-border-cryptocurrency-payments-

Any currency that is not India's official currency is considered foreign currency according to Section 2(m) of the Act.[16] The question of whether cryptocurrencies qualify as a kind of foreign currency is raised by this. This viewpoint becomes more credible when we take into account scenarios in which bitcoin assumes financial obligations, possibly bringing it into compliance with the definition of foreign currency under the Foreign Exchange Management Act (FEMA). Furthermore, the Supreme Court has stated that the Reserve Bank of India (RBI) may regulate cryptocurrencies if they act as a medium of exchange, even though they are not legally recognised as money. Advocates of this position further contend that bitcoin can be labelled as foreign currency if it is accepted as legal tender in another nation.[17] Moreover, as bitcoin is not a foreign currency, it should not be included in the definition of foreign exchange under Section 2(n) of the FEMA.[18] Yet, this creates a different discussion because nations such as El Salvador and the Central African Republic have officially begun to acknowledge cryptocurrency as legitimate money up to this point.

It is clear from the analysis that the FEMA does not specifically address or offer rules for handling cryptocurrencies. The distinct characteristics of cryptocurrency transactions in the real estate sector are not immediately aligned with the definitions and rules governing traditional currency, foreign currency, and foreign exchange. There is a sense of confusion about the legal and regulatory framework for such transactions in India as a result of this lack of clear direction. Although the primary goal of FEMA is to regulate foreign exchange transactions, the decentralised structure of cryptocurrencies and their ability to support peer-to-peer transactions make it difficult for them to be classified as such. The Reserve Bank of India (RBI) has also voiced worries and issued advisories regarding the dangers of cryptocurrencies. As a result, authorities involved may also scrutinise real estate deals involving cryptocurrencies more closely.

b. The Indian Contract Act, 1872:

When it comes to smart contracts that involve cryptocurrency payments, it’s critical to follow contract law principles and make sure the terms of the agreement are understood. This includes specifying the precise cryptocurrency to be used, the payment amount, and any conditions or due dates related to the payment. By making sure that the contract makes these specifics explicit, all parties can understand their respective roles and duties.[19]

Section 10 of the Contract Act is essential for defining the basic components that turn an agreement into a legally binding contract. These prerequisites include the following: competent persons, free consent, lawful consideration, and a legitimate goal.[20] But when it comes to smart contracts, which are these components, there is a big problem with the idea of consideration, especially when it comes to digital assets like Ethereum and Bitcoin.

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16 Foreign Exchange Management Act 1999, 2(m) (1999)

17 Hussain, H. (2017). Taming the future: The curious case of taxation of Cryptocurrencies in India. Journal of Business & Financial Affairs, 06(03). https://doi.org/10.4172/2167-0234.1000286

18 Foreign Exchange Management Act 1999, 2(n) (1999)

19 Supra note 14.

20 Indian Contract Act 1872, 10 (1872)

Section 23 of the Contract Act highlights further the requirements that consideration must meet, including being legal, not illegal, not in violation of any laws, not being fraudulent, and adhering to public policy and moral acceptability.[21] It is significant that cryptocurrencies do, in spite of this difficulty, meet these requirements because they are legal, do not violate any current laws, and even provide a number of benefits like increased security and user autonomy. This means that cryptocurrency-based smart contracts are completely compliant with Indian legal systems, making them legally enforceable and legitimate.

As previously mentioned, a contract cannot be enforceable unless the consideration involved satisfies specific preset requirements. Following the guidelines outlined in Section 23 is essential to guaranteeing that cryptocurrency-related smart contracts are enforceable and legally binding. We can ensure compliance with legal requirements by doing this, as the consideration for these contracts is usually given in the form of bitcoin. In order to demonstrate the general legality and enforceability of smart contracts within the current legal system, this commitment is essential.

After a thorough analysis, it can be concluded that cryptocurrencies such as bitcoin satisfies the prerequisites to be accepted as legitimate in India with reference to smart contracts. First off, there isn't a single regulation in the nation that specifically deems Bitcoin to be unlawful. Since there is no law, it can be assumed that cryptocurrencies are not intrinsically forbidden and can be used lawfully. Second, using cryptocurrencies has several benefits, like fostering decentralisation and offering users autonomy, without breaking any current laws. Because these elements improve commerce and technology exchange efficiency and security, they benefit the state as well as the general public. Finally, bitcoin does not display any immorality, fraud, or violation of public policy as long as it is not used for illegal purposes. As a result, cryptocurrency facilitates the legal recognition and enforceability of smart contracts within the Indian legal system because it meets all the requirements to be deemed valid.

Numerous developed nations, including the United States and the United Kingdom, exhibit a favorable stance towards cryptocurrency and smart contracts, supported by established legal frameworks. In the U.S., contract law, encompassing common law and the Restatement of Contracts, lacks specific requirements for consideration. Various states, including Arizona[22] and Tennessee[23], fully recognize the legality and enforceability of smart contracts. Similarly, the UK defines consideration broadly, affirming the compatibility of smart contracts within its legal system.[24] In Singapore, the International Commercial Court acknowledged the intangible property characteristic of cryptocurrencies, emphasizing their suitability as consideration in business transactions, even if not officially recognized as legal tender.[25] In India, as reflected in the case of M/S N.N. Global Mercantile Private Limited v. M/S Indo

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[21] Indian Contract Act 1872, 23 (1872)

[22] Uniform Electronic Transaction Act 2017, 44-7061 (2017)

[23] Tenn. Code Ann 2018, 47-10-201–202 (2018)

[24] Smart Legal Contracts: Summary. (n.d.). https://s3-eu-west-2.amazonaws.com/cloud-platform-e218f50a4812967ba1215eaecede923f/uploads/sites/30/2021/11/6.7776_LC_Smart_Legal_Contracts_2021_Final.pdf

[25] Cryptoassets, cryptoliabilities: Bitcoin and insolvency. South Square. (n.d.). https://southsquare.com/articles/cryptoassets-cryptoliabilities-bitcoin-and-insolvency/

Unique Flame Ltd[26], the judiciary, including Hon'ble Justice Hrishikesh Roy and Chief Justice D.Y. Chandrachud, acknowledges the integration of technology and artificial intelligence in commercial transactions, highlighting the acceptance of smart contracts as enforceable if they meet the Contract Act requirements.

4. GLOBAL PRACTICES :

Since cryptocurrencies like Bitcoin are now accepted as legal tender in places like the Central African Republic and El Salvador, as was previously mentioned, it stands to reason that many real estate transactions are already made possible by cryptocurrencies. That being said, many jurisdictions acknowledge cryptocurrencies as a means of trade for the purchase and sale of products, services, and real estate. Therefore, this does not imply that the property is not being purchased with cryptocurrencies. Request that products and services that pertain to immovable property be allowed to be purchased using bitcoin in India under the current legislation. It is essential now to look into examples that are omnipresent internationally to determine the validity of issue at hand and analyse the future prospect as to if at all cryptocurrency will ever be used in India in the real estate industry.

Miami's real estate market made headlines in April 2021 when a record-breaking sale occurred. A coastal mansion went for an astounding $40 million, all in Bitcoin, not standard currency. This well publicised deal was a critical turning point in the luxury real estate industry's use of cryptocurrencies. Industry shockwaves were caused by the sale of a 9,700-square-foot oceanfront property on Miami's upscale Venetian Islands. It proved how wealthy people's interest in using cryptocurrencies to make expensive purchases is expanding.[27]

Beyond the real estate industry, Dubai's steadfast goal is to lead the world in bitcoin adoption. The Dubai Virtual Asset Regulation Law, which was created especially for the use of cryptocurrencies, including real estate transactions, was a ground-breaking move made in 2022. The region's real estate market will be significantly impacted by Dubai's innovative strategy, which establishes the city as a leader in this new field. The introduction of new laws in Dubai's real estate sector opens the door for a greater acceptance of cryptocurrencies by providing a more transparent and safe environment for buyers and sellers. Prospective investors who might be hesitant due to the relative novelty of crypto-based transactions now feel more confident and less hesitant when these transactions have clear regulations that provide clarity and a legal grounding. Furthermore, by providing protocols for valuation, escrow services, and anti-money laundering (AML) compliance, the framework can expedite the process of adopting cryptocurrencies for real estate acquisitions, guaranteeing seamless and effective transactions. By accepting cryptocurrencies, Dubai presents itself as a progressive and innovative place to invest, which may draw in a fresh group of foreign investors

[26] M/S N.N. Global Mercantile Private Limited v. M/S Indo Unique Flame Ltd 2023 SCC ONLINE SC 495

[27] Brennan, M. (2012, July 29). Billionaire Eddie Lampert buying record-breaking $40 million Indian Creek Home. Forbes. https://www.forbes.com/sites/morganbrennan/2012/03/05/billionaire-eddie-lampert-buying-record-breaking-40-million-indian-creek-home/?sh=4cd009c35ae6

looking to make the most of their cryptocurrency holdings in a regulated and safe real estate market.[28]

Propthereum, an Australian PropTech business, is leading the way in revolutionising real estate ownership by utilising blockchain technology. Based on information found on the Propthereum website, their novel platform enables investors to divide real estate holdings into tokens. Tokenization is the technique that makes fractional ownership possible, allowing investors to use cryptocurrencies to buy parts of a property.[29]

The St. Regis Aspen Resort in Colorado, USA, made a daring move toward real estate ownership in 2022. A lavish home in the resort was sold via an innovative method that made use of security tokens instead of the conventional channels. These tokens, which each represented a portion of the property's ownership, functioned as digital keys. This creative approach made it possible for investors to use cryptocurrencies to buy parts of the house, expanding the pool of potential buyers and democratising access to this valuable piece of real estate.[30]

Aside from these contemporary examples worldwide, initiatives are being taken by organisations like International Blockchain Real Estate Association to promote and puch of Cryptocurrency and blockchain technology in general in the real estate industry.[31]

The potential of blockchain technology in the real estate sector is the focus of the international organisation IBREA. They arrange events, exchange resources, and work together to find answers by bringing professionals, entrepreneurs, and innovators together. To better educate people on the application of blockchain technology in real estate transactions, IBREA provides instructional materials such as webinars, publications, and conference videos. Additionally, they have working groups dedicated to particular subjects like bitcoin payments and tokenization.[32]

5. CONCLUSION & SUGGESTIONS:

In the Indian real estate sector, the use of cryptocurrencies in transactions offers a special chance for efficiency and creativity. Although the adoption is still in its infancy, it has the potential to bring about a number of advantages, including reduced transaction costs, quicker settlement times, and enhanced security thanks to blockchain technology. But there are still a lot of obstacles to overcome, such as unclear regulations, a small number of vendors who are prepared to take

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[28] Insight, C. M. / I. (2022, June 15). 2022 set to be landmark year in cryptocurrency regulation. Khaleej Times. https://www.khaleejtimes.com/crypto/2022-set-to-be-landmark-year-in-cryptocurrency-regulation

[29] :Different. (n.d.). How proptech has changed the real estate industry:. Different. https://different.com.au/agency-blog/how-proptech-has-changed-real-estate/

[30] Huillet, M. (2021, August 13). Tokenized Real Estate Market could hit $1.4T despite a slow start, report claims. Cointelegraph. https://cointelegraph.com/news/tokenized-real-estate-market-could-hit-1-4t-despite-a-slow-start-report-claims

[31] Publishing, B. (2024, January 12). Association spotlight: International blockchain real estate association (IBREA). Blockchain Industry Group (BIG). https://blockchainindustrygroup.org/association-spotlight-international-blockchain-real-estate-association-ibrea/

[32] ibid

cryptocurrency, and the difficulties in integrating blockchain technology with current systems.

The lack of precise instructions in established frameworks such as the Foreign Exchange Management Act gives rise to legal issues in the Indian setting (FEMA). The fact that cryptocurrencies aren't explicitly recognised creates worries about regulatory scrutiny. But if smart contracts incorporating cryptocurrencies follow the requirements of a legitimate contract, the Indian Contract Act, 1872, provide a basis for their legitimacy.

The use of cryptocurrencies in Indian real estate would depend on well-defined regulations and proactive legislative measures. The establishment of complete norms pertaining to taxation, ownership verification, and enforceability of blockchain-based transactions necessitates cooperation between the government and regulatory entities, such as the Reserve Bank of India. India can establish a transparent and safe environment for the usage of cryptocurrencies in real estate by taking cues from international models.

There is a turning point in the Indian real estate market. The promise of efficiency and creativity that cryptocurrency offers makes it seem like a game-changer. But in order to get past the current obstacles, this new territory calls for a calculated strategy:

- **Laying a robust legal framework:**

The establishment of a strong legal framework is a crucial first step for India to embrace cryptocurrencies in its real estate sector. Uncertain tax ramifications are currently a significant barrier. When it comes to real estate transactions, the framework ought to specify the taxation that will apply. This clarity will promote openness and encourage market involvement.

Although blockchain technology provides increased security, confirming real estate ownership on the blockchain requires precise criteria. This might entail setting up processes for digital deed registration and ownership transfers right on the blockchain.

Tokenization-based fractional ownership is becoming more popular, however it's unclear what the law says about this kind of tokenized property. To provide this novel strategy a safe base, a precise definition is necessary. The legislative framework would create the requisite security and transparency by addressing these issues, enabling cryptocurrencies to play a reliable role in the Indian real estate market.

- **Widespread Education:**

The key to widespread acceptance is education. To successfully negotiate this new environment, all stakeholders in the ecosystem such as real estate brokers, attorneys, buyers, and sellers, need to be knowledgeable.

Educating interested parties about the possible advantages of using blockchain technology to enhance security, reduce fees, and expedite transactions. Furthermore, responsible adoption necessitates educating people about potential dangers including market volatility and cyber vulnerabilities. Educating interested parties about the functioning of bitcoin transactions in the real estate industry. Workshops on digital escrow services, smart contracts, and using cryptocurrency wallets might be part of this.

- **Collaboration:**

The real estate business, government, and regulatory bodies must maintain open lines of communication in order to establish workable solutions. By working together, we can make sure that policies are adaptable to changing circumstances and future-proof.

Innovation can occur when technology businesses and the real estate sector work together. Startups such as proptech may create user-friendly systems that streamline cryptocurrency-based real estate transactions and encourage broader acceptance.

India will benefit greatly from acquiring best practises from other successful international models, like as the legislative environment for cryptocurrency real estate transactions in Dubai. Further Partnering with nations that have embraced cryptocurrency in real estate can provide access to global resources and experience, accelerating innovation.

India's real estate market can fully utilise the promise of cryptocurrencies by putting these tactical steps into place. In the future, cryptocurrency can be a smoothly integrated and reliable player in the Indian real estate market thanks to a strong legal framework, extensive education, and industry engagement.

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