



# Jus Corpus Law Journal

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## Crypto or Stock purchase: which one is legal in India?

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*Are you interested in learning more about the virtual currency industry? Are you familiar with the terms "cryptocurrency," "Bitcoin," and "stock purchase"? But what if you were to consider what would be best for you? The benefits and drawbacks of using them are the most prevalent concern for everyone. "Is cryptocurrency legal in India?" or "Is stock purchase legal in India?" are the most often asked questions in the country. For individuals who are new to the world of virtual currencies, several queries inevitably occur in their minds, such as, "What is Cryptocurrency?" and "What is Stock Purchase?" Is there a risk of a cryptocurrency or stock market crash in the future? What is their current legal standing in India, and what are their prospects? Can we make use of them? Is it possible to acquire them? What exactly is the "Bibox" new invention? I will respond to every one of your questions. This study report extensively discusses cryptocurrencies such as Bitcoin and Bibox. Please continue reading. I hope you will find it entertaining.*

**Keywords:** *cryptocurrency, bitcoin, bibox, India, stock-purchase.*

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## INTRODUCTION

Cryptocurrencies, which function as a kind of private money in today's economic environment, are gaining popularity. Sovereign governments<sup>1</sup>, which issue their currency for financial reasons, rule over nation-states subject to their authority. The emergence of a new alternative economy in cryptocurrencies has prompted many governments to rethink their approaches to regulating business and economic activity in the word's conventional meaning.<sup>2</sup> Cryptocurrencies are a kind of electronic money<sup>3</sup> that can be used on the internet, and they are getting more and more popular every year.<sup>4</sup> One possible way to make it more accessible to the general public is via so-called blockchain technology<sup>5</sup>. Bitcoin and Ethereum are two of the most well-known digital currencies globally,<sup>6</sup> with over \$100 billion combined market capitalization. According to reports in the media, the value of cryptocurrencies in India dropped immediately after the government revealed steps to regulate digital currency<sup>7</sup>.

The complex software coding process that cryptography<sup>8</sup> utilizes to accomplish is often used to secure financial information, such as bank accounts. A distributed ledger, such as the blockchain technology that supports cryptocurrencies, may be conceived as a distributed ledger maintained across several machines.<sup>9</sup> Blockchain ledgers are used to hold the records of bitcoin transactions, referred to as transactions. The cryptocurrency market is a new area of money fundamentally different from digital transactions using sovereign currencies, which are familiar to the vast majority of the world's population. Unlike conventional trades, which

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<sup>1</sup> Bernoth K and others, 'Sovereign risk premiums in the European government bond market' (2012) 31(5) Journal of International Money and Finance 975-95

<sup>2</sup> *Ibid*

<sup>3</sup> Cohen BJ, 'Electronic money: new day or false dawn?' (2001) 8(2) Review of International Political Economy 197-225

<sup>4</sup> *Ibid*

<sup>5</sup> Yaga D and others, 'Blockchain technology overview' (*arXiv preprint arXiv:1906.11078*, 26 June 2019) <<https://arxiv.org/abs/1906.11078>> accessed 05 December 2021

<sup>6</sup> *Ibid*

<sup>7</sup> *Ibid*

<sup>8</sup> Stinson DR, 'Cryptography: theory and practice' (*Chapman and Hall/CRC*, 1 November 2005) <<https://api.taylorfrancis.com/content/books/mono/download?identifierName=doi&identifierValue=10.1201/9781420057133&type=googlepdf>> accessed 05 December 2021

<sup>9</sup> *Ibid*

include the exchange of actual currency, digital commerce, instead of pre-digital transactions, involves the sale of digital money rather than cash.

### **WHAT IS A STOCK PURCHASE?**

Stocks are a financial instrument representing a stake in a company's ownership. Firms may raise funds to expand and invest in their operations via the issuance of shares. Investing in equities over the long run allows investors to increase their wealth while outpacing inflation. A stock exchange, such as the Nasdaq or the New York Shares Exchange<sup>10</sup>, is a market where publicly listed corporations may sell their stock to the general public. Following that, investors may exchange their shares via stockbrokers. The supply and demand for a firm's stock on the stock market directly impact<sup>11</sup> that company's stock price.<sup>12</sup> Even though stock prices fluctuate daily, many investors assume that the value of their investments will increase over time.

Not every firm or stock that will attain this degree of success should not be overlooked. If this happens, stock market investors<sup>13</sup> may lose all or a portion of their invested wealth. Consequently, rather than being dependent on a single firm, investors' portfolios should be diversified rather than concentrated.<sup>14</sup> Even if you're not aware of it, you already own stock in the company. Most employer-sponsored retirement plans are invested in mutual funds, which may contain a broad portfolio of company stocks.

### **DOES CRYPTO CREATE AN ISSUE?**

To do business using government-issued money<sup>15</sup>, it is necessary to use the services of an intermediary. In this transaction, the bank acts as a mediator between the parties. There is no

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<sup>10</sup> Rao H and others, 'Embeddedness, social identity and mobility: Why firms leave the NASDAQ and join the New York Stock Exchange' (2000) 45(2) *Administrative Science Quarterly* 268-92  
<<https://journals.sagepub.com/doi/abs/10.2307/2667072>> accessed 05 December 2021

<sup>11</sup> *Ibid*

<sup>12</sup> *Ibid*

<sup>13</sup> *Ibid*

<sup>14</sup> *Ibid*

<sup>15</sup> Hazlett PK and Luther WJ, 'Is bitcoin money? And what that means' (2020) 77 *The Quarterly Review of Economics and Finance* 144-149

need for an intermediary to facilitate trade<sup>16</sup> for cryptocurrencies. Alternatively, the parties may elect to conduct the transaction directly between themselves in this situation. Consequently, the economy may be taken out of the control of the government and subjected to taxation, resulting in the creation of a considerable quantity of black money. The existence of a government might be jeopardized if there is no rule in place to prevent this from happening.

The digital currency known as cryptocurrency is decentralized and is not regulated by any government-controlled financial institution, such as a bank, instead of traditional money. The number of bitcoin investors in India is estimated to be between 1.5 million and 2 million, depending on who you ask. Despite the absence of official statistics, estimates put the figure at between 1.5 million and 2 million. As reported by Reuters, the company has a market valuation of \$10 billion and is not controlled by the federal government. This, I suppose, is the current state of affairs.<sup>17</sup>

### **DOES STOCK PURCHASE HAS ANY ADVANTAGES?<sup>18</sup>**

A stock purchase provides several advantages, the most notable of which are as follows:

- Aside from that, no significant asset re-valuations or title transfers are necessary as part of the deal.<sup>19</sup>
- Purchasers may acquire non-assignable licenses and rights<sup>20</sup> without obtaining the seller's explicit approval.<sup>21</sup>
- Buyers who qualify for tax exemptions<sup>22</sup>, on the other hand, may be able to avoid paying taxes on their purchases.<sup>23</sup>

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<sup>16</sup> *Ibid*

<sup>17</sup> 'Cryptocurrency Bill in Parliament: Govt intends to create an official digital currency, prohibit private players' (*India Today*, 23 November 2021) <<https://www.indiatoday.in/india/story/centre-cryptocurrency-bill-parliament-rbi-official-digital-currency-1880058-2021-11-23>> accessed 05 December 2021

<sup>18</sup> *Ibid*

<sup>19</sup> *Ibid*

<sup>20</sup> Plank TE, 'The Limited Security Interest in Non-Assignable Collateral Under Revised Article 9' (2001) 9 Am Bankr Inst L Rev 323

<sup>21</sup> *Ibid*

- It is less complicated and more common than acquiring an asset. Hedge funds often engage in mergers and acquisitions deals purely via the purchase of stock.<sup>24</sup>

## DISADVANTAGES?

If you decide to invest in stocks, keep the following disadvantages in mind<sup>25</sup>:

- In addition, there is no tax advantage for "stepping up" to a higher tax bracket, and the purchase of assets and liabilities cannot be made on a selective basis.
- When assets and liabilities are transferred, a carrying value is assigned to them to reflect their current condition.
- Separate agreements should be drafted in which the target agrees to any unfavorable obligations that may be imposed.<sup>26</sup>
- When a target firm has many shareholders, the strategy may become more challenging due to the need to comply with relevant securities regulations. Also possible is that certain shareholders may be reluctant to sell their shares, which would cause the purchase process to be delayed and the acquisition cost to be increased.<sup>27</sup>
- In the context of taxation, share price premiums do not qualify as goodwill.

## DOES CRYPTO HAVE ANY ADVANTAGES?

The amount of money that may be transferred is entirely limitless. Moving to another country may be quite expensive, regardless of the money involved or the destination, if done via your bank. Because bitcoin transactions are very low-cost, they are becoming more widespread if

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<sup>22</sup> Givord P and others, 'Place-based tax exemptions and displacement effects: An evaluation of the Zones Franches Urbaines program' (2013) 43(1) *Regional Science and Urban Economics* 151-63

<sup>23</sup> *Ibid*

<sup>24</sup> Bhagat S and others, 'Incentive effects of stock purchase plans' (1985) 14(2) *Journal of Financial Economics* 195-215

<sup>25</sup> *Ibid*

<sup>26</sup> Pryles M, 'Drafting Arbitration Agreements' (1993) 15(5) *Adel L Rev*

<sup>27</sup> *Ibid*

not free. There are no geographical restrictions for the transmission of Bitcoins<sup>28</sup> throughout the world. If you're talking about Bitcoin, there are no restrictions.<sup>29</sup>

### ANY DISADVANTAGES?

An essential consideration for investing in Bitcoin is the lack of regulatory monitoring and regulation, which is one of the most significant drawbacks to take into account.<sup>30</sup> Regulation and taxes of bitcoin vary from one nation to the next<sup>31</sup> and may be contentious or ambiguous at times, depending on the relevant jurisdiction.<sup>32</sup> The possibility of fraud and other dishonesty occurring without adequate precautions cannot be ruled out<sup>33</sup>.

### **CRYPTOCURRENCY ISSUES IN INDIA**

The Reserve Bank of India issued a short press statement on December 24th, 2013, cautioning customers about the risks of cryptocurrency usage given Bitcoin's international popularity and indicators that it would expand to India and other countries.<sup>34</sup> Consequently,<sup>35</sup> the Reserve Bank of India explained the many ways in which bitcoin investors may lose money.<sup>36</sup> Hacking, password loss, virus assaults, and the theft of e-wallet information were among the instances that occurred.<sup>37</sup> Users should be aware that since bitcoin payments are peer-to-peer, there is no central body to control them, providing customers with no recourse in losses, fraud, or disputes resulting from using bitcoin.<sup>38</sup>

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<sup>28</sup> Pieters G & Vivanco S, 'Financial regulations and price inconsistencies across Bitcoin markets' (2017) 39 Information Economics and Policy 1-4

<sup>29</sup> *Ibid*

<sup>30</sup> *Ibid*

<sup>31</sup> Auer R & Claessens S, 'Regulating cryptocurrencies: assessing market reactions' (*BIS Quarterly Review*, 1 September 2018) <[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3288097](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3288097)> accessed 05 December 2021

<sup>32</sup> *Ibid*

<sup>33</sup> *Ibid*

<sup>34</sup> Gadre KN, 'Feasibility of Bitcoin in India-A Discussion' (2018) 8(5) Asian Journal of Research in Business Economics and Management 15-22

<sup>35</sup> *Ibid*

<sup>36</sup> *Ibid*

<sup>37</sup> *Ibid*

<sup>38</sup> *Ibid*

Significant price fluctuations were identified as the third hazard by the Reserve Bank of India, and they are the most crucial cause of worry for the vast majority of customers. As much as the Reserve Bank of India<sup>39</sup> is concerned, the value of cryptocurrency is considered to be entirely speculative (RBI).<sup>40</sup> Cryptocurrency transactions may result in unintended breaches of anti-money laundering and counter-terrorist financing (AML/CFT)<sup>41</sup> rules if the parties do not reveal their genuine identities during the transaction. Even though they were all horrible, the Indian Central Bank issued two further stern warnings about the hazards of cryptocurrencies during the next four years, totaling four in all.<sup>42</sup>

It is clear from the public proclamation published by the Ministry of Finance in December 2017 just how worried India's regulatory system was about bitcoin in general. The Ministry of Finance issued further cautions similar to those issued by the RBI.<sup>43</sup> According to the warning, an investment bubble, similar to those seen in Ponzi schemes<sup>44</sup>, may result in quick and prolonged collapses, resulting in the loss of hard-earned money by regular investors.<sup>45</sup> After expressing misgivings about cryptocurrencies in late 2017, the Ministry of Finance compared them to Ponzi schemes<sup>46</sup>. The Reserve Bank of India (RBI) has issued three warnings, and the government has given one in the past four years.<sup>47</sup> According to the Reserve Bank of India (RBI), the country's first (and so far, only) enforceable cryptocurrency law was released on April 6, 2018, in response to the fact that none of the existing cryptocurrency systems functioned.

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<sup>39</sup> 'Reserve Bank of India' <<http://www.rbi.org.in/>> accessed 05 December 2021

<sup>40</sup> *Ibid*

<sup>41</sup> Whisker J & Lokanan ME, 'Anti-money laundering and counter-terrorist financing threats posed by mobile money' (*Journal of Money Laundering Control*, 7 January 2019)

<<https://www.emerald.com/insight/content/doi/10.1108/JMLC-10-2017-0061/full/html>> accessed 05 December 2021

<sup>42</sup> *Ibid*

<sup>43</sup> *Ibid*

<sup>44</sup> Bartoletti M, 'Dissecting Ponzi schemes on Ethereum: identification, analysis, and impact' (2020) 102 *Future Generation Computer Systems* 259-277

<sup>45</sup> *Ibid*

<sup>46</sup> *Ibid*

<sup>47</sup> *Ibid*

## WHAT'S THE STATUS OF CRYPTO IN INDIA NOW?

According to a senior official during the next Parliamentary Winter Session, the Narendra Modi government aims to draught laws to criminalize all private cryptocurrencies and provide the groundwork for establishing an official digital currency. The Reserve Bank of India plans to launch a sovereign cryptocurrency for the country shortly.<sup>48</sup> According to its sponsors, in 2021, the Cryptocurrency and Official Digital Currency Regulation Bill<sup>49</sup> would make it simpler to launch an official digital currency. Several people have expressed concern that if bitcoin is allowed to operate unchecked, it will become the principal source of terror funding and hawala transactions.<sup>50</sup> Recent developments in Afghanistan and Pakistan have only served to aggravate this concern. The government may attempt to achieve this goal by passing legislation about cryptocurrencies<sup>51</sup>.

## WHY IS INDIA TAKING SUCH A DECISION?

Using current technology to secure the usage of cash and transactions is suitable for the economy as a whole, and Bitcoin<sup>52</sup> is no exception to this norm. It was only recently that the Reserve Bank of India (RBI) stopped categorically rejecting digital currencies as a danger to the country's sovereign banking and currency institutions.<sup>53</sup> According to the Reserve Bank of India (RBI), Bitcoin and other cryptocurrencies have the potential to be used for money laundering, and the bank is concerned about this. Even though they were spoken in secret, the same emotions were conveyed to the public.<sup>54</sup> The issue of anonymity has grown more

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<sup>48</sup> *Ibid*

<sup>49</sup> Aman Kumar Yadav, 'Cryptocurrency in India: To ban or not to ban' (*The RMLNLU Law Review Blog*, 2 March 2021) <<https://rmlnlulawreview.com/2021/03/02/cryptocurrency-in-india-to-ban-or-not-to-ban>> accessed 05 December 2021

<sup>50</sup> *Ibid*

<sup>51</sup> *Ibid*

<sup>52</sup> *Ibid*

<sup>53</sup> *Ibid*

<sup>54</sup> Fletcher E and others, 'Countering money laundering and terrorist financing: A case for bitcoin regulation' (*Research in International Business and Finance*, 1 April 2021)

<<https://www.sciencedirect.com/science/article/pii/S0275531921000088>> accessed 04 December 2021



significant as the use of crypto-currencies<sup>55</sup> has increased. When the central bank issues its own money, on the other hand, this difficulty may be alleviated.

According to reports, the SC Garg Committee<sup>56</sup> was founded by the Department of Economic Affairs of the Ministry of Finance. It seems to have had a substantial impact on the new Finance Bill.<sup>57</sup> When it came to virtual currencies, the committee went so far as to advocate for their ban in its "Report of the Group to Propose Specific Actions to Be Taken Regarding Virtual Currencies."<sup>58</sup> Many Indians invest in cryptocurrencies usually issued outside of India, which is a source of concern that the committee recognizes. As stated in the report, "all of these cryptocurrencies were founded by non-sovereign organizations and are.<sup>59</sup> As a result, fully private enterprises." "There is no underlying intrinsic value to these private cryptocurrencies, and as a result, they lack all of the qualities of a currency," the report states." Furthermore, according to the research, these private cryptocurrencies are neither a store of wealth nor a means of exchange. Because of the volatile nature of cryptocurrencies, their value has changed dramatically since their launch. It seemed that bitcoin would be extinguished when the SC Garg Committee advised against authorizing private cryptocurrencies<sup>60</sup> in 2015. The committee has concluded that private cryptocurrencies are incompatible with the essential functions of money/currency and, as a result, cannot be utilized as legal tender. Consequently, the committee ruled that private cryptocurrencies cannot be used as a substitute for fiat money.<sup>61</sup>

Additionally, the group argued for creating an official digital currency<sup>62</sup> and urged the government to consider all possible options. It was recommended that an economic affairs

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<sup>55</sup> *Ibid*

<sup>56</sup> Micah AE, 'Tracking development assistance for health and for COVID-19: a review of development assistance, government, out-of-pocket, and another private spending on health for 204 countries and territories, 1990–2050' (*The Lancet*, 2021) <<https://www.sciencedirect.com/science/article/pii/S0140673621012587>> accessed 05 December 2021

<sup>57</sup> *Ibid*

<sup>58</sup> Arora G, 'RBI and the Indian Crypto Industry' (*SSRN 3733291*, 25 September 2020) <[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3733291](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3733291)> accessed 05 December 2021

<sup>59</sup> *Ibid*

<sup>60</sup> *Ibid*

<sup>61</sup> *Ibid*

<sup>62</sup> *Ibid*

committee comprised of Reserve Bank, Ministry of Finance, and Department of Financial Services officials investigate and establish an appropriate model of digital money for use in the country. As suggested by the committee, if the Indian government wishes to recognize the official digital currency as legal cash according to Section 22 of the RBI Function, the Reserve Bank of India (RBI)<sup>63</sup> should act as an appropriate supervisor. Before that, in January, the Bill reignited the fear sparked by the Reserve Bank of India's restriction on banks participating in bitcoin transactions on April 6, 2018.

## **BITCOIN AFICIONADOS EXHIBIT THEIR KNOWLEDGE OF THE CRYPTO-CURRENCY**

A joint effort by India's cryptocurrency exchanges and industry groups claimed that crypto investments in the country had surpassed Rs 6 lakh billion. The total number of investors has climbed to more than 10 million people. Even though the vast majority of these investments are regarded as minor and insignificant, the government has no intention of placing severe limitations.<sup>64</sup> At the Standing Committee on Finance, officials from cryptocurrency exchanges, the Blockchain and Crypto Assets Council (BACC), the Council of Indian Industry (CII), and the Association of Southeast Asian Nations (ASSOCHAM) were present. The delegates had established a convincing argument for the imposition of constraints and the establishment of clear operating guidelines.<sup>65</sup> Although the committee highlighted severe problems and the need for restrictions, no member advocated for a ban on the practice.<sup>66</sup>

## **DIFFERENCES BETWEEN CRYPTO AND STOCK**

### **1. Keeping things safe and secure:**

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<sup>63</sup> 'Reserve Bank of India' (NBD D) <[http://fnpo.org/yahoo\\_site\\_admin/assets/docs/Annexure\\_-\\_III.317231341.pdf](http://fnpo.org/yahoo_site_admin/assets/docs/Annexure_-_III.317231341.pdf)> accessed 05 December 2021

<sup>64</sup> *Ibid*

<sup>65</sup> Sundaravelu A, 'Foreign cryptocurrency exchanges in India may take 18% tax hit' (*International Tax Review*, 12 August 2021) <<https://search.proquest.com/openview/04ba47ad569f56587f76dcc3f7e2128a/1?pq-origsite=gscholar&cbl=30282>> accessed 04 December 2021

<sup>66</sup> *Ibid*

To invest in the stock market, bitcoin, or any other market-based asset, it is necessary to assess your risk tolerance in-depth. You may find that the volatility of these investments is too significant for you to handle. Can your investment plan withstand both profits and losses in the market?<sup>67</sup>

**Stocks:**

- In the long term, the stock's performance is significantly associated with the company's success whose stock it represents.
- A company must stop operations for investors to sell their shares and for the stock price to plummet to make a stock worthless.
- Securities are very volatile, with many rising or falling by 100 percent or more over a whole year.
- It is a time-honored method of accumulating wealth with a demonstrated track record of accomplishment.

**Cryptocurrency:**

- Bitcoin's price can only rise if public opinion moves in its favor, which is unlikely because it has no assets or cash flow to sustain it.
- Because cryptocurrencies are not backed by anything; their value may plummet to zero if traders decide not to purchase them.
- There is a lot of volatility in this market, with cryptocurrency prices sometimes rising or falling by 50 percent or more in a single year.<sup>68</sup>
- China will become the first government,<sup>69</sup> to outlaw all cryptocurrencies when it does so in 2021.<sup>70</sup>

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<sup>67</sup> *Ibid*

<sup>68</sup> Auer Raphael and David Tercero-Lucas, 'Distrust or speculation? The socioeconomic drivers of US cryptocurrency investments' (SSRN, 2021) <[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3928829](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3928829)> accessed 03 December 2021

<sup>69</sup> *Ibid*

<sup>70</sup> Formaggi M, 'Cybercrime and Ransomware' (IELR, 2021) <[https://heinonline.org/hol-cgi-bin/get\\_pdf.cgi?handle=hein.journals/ielr37&section=138](https://heinonline.org/hol-cgi-bin/get_pdf.cgi?handle=hein.journals/ielr37&section=138)> accessed 05 December 2021

- Because bitcoin is still relatively new as an asset class, it is still in its infancy as a financial instrument.<sup>71</sup>
- Even though cryptocurrencies are dangerous, they are far riskier than stocks.

## 2. The length of time that has passed:

our investment time horizon, or the length of time between now and when you anticipate requiring the money, is essential to consider. Your thing should be as safe as possible to guarantee that it is accessible when needed; the more constricted your schedule, the more secure your item should be. Those who only have a short time horizon should avoid a risky investment. The ups and downs of hazardous assets such as stocks typically require investors to hold onto their investments for three years.

### Stocks

- The stock market, although less volatile than the bitcoin market, is nonetheless highly flammable in its own right. Individual equities are more volatile than a portfolio of stocks that have been adequately diversified.<sup>72</sup>
- If you do not need frequent access to your funds, it is advisable to place your money in the stock market. As a general rule, the greater the time available to you, the better.<sup>73</sup>
- Certain stock options may be more volatile than others, depending on the company issuing them. Growth stocks, for example, are more volatile than dividend or value stocks, according to the CFA Institute.<sup>74</sup>
- During times of financial crisis, investors may choose to shift their investments from more aggressive (growth stocks) to more cautious (value stocks) (dividend stocks).<sup>75</sup>

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<sup>71</sup> *Ibid*

<sup>72</sup> *Ibid*

<sup>73</sup> *Ibid*

<sup>74</sup> DeRosa DF, 'Bursting the Bubble: Rationality in a Seemingly Irrational Market' (*CFA Institute Research Foundation*; 2 April 2021)

<https://books.google.com/books?hl=en&lr=&id=kQQpEAAAQBAJ&oi=fnd&pg=PT9&dq=%2B%20Growth%2Bstocks%2B%2B%20or%2Bexample%2B%2B%20are%2Bmore%2Bvolatile%2Bthan%2Bdividend%2Bor%2Bvalue%2Bstocks%2B%2B%20according%2Bto%2Bthe%2BCFA%2Binstitute&ots=uJsUi8LweH&sig=RALK4G0wxsTxMq1srCoOMMHN5no> accessed 4 December 2021

<sup>75</sup> *Ibid*

## Cryptocurrency

- While stock values vary, the volatility of Bitcoin has hit an all-time high, according to CoinDesk.<sup>76</sup> Following a brief decline in value of over half in a matter of months in 2021, Bitcoin saw a rapid recovery, reaching a peak of 100 percent the following year. It is recommended that short-term investors avoid cryptocurrencies due to their extreme volatility.
- Traders that can afford to lock up their assets and wait for their investments to recover are better suited to cryptocurrency trading. Instead of focusing on the short term, think on a long time.<sup>77</sup>

### 3. Administration of a portfolio of investments:

The asset types you invest in are not limited to cryptocurrencies and stocks, and you are not required to pick between them when putting up your investment portfolio. Finding the correct mix of risk and return in your investments and ensuring that your portfolio reflects that balance is essential aspects of investing.<sup>78</sup>

## Cryptocurrency

- Because of the inherent risks associated with cryptocurrencies, treating them as a tiny component of your overall investment portfolio is wise. Consider starting with a bare-bones 5 percent of your portfolio.
- If bitcoin takes off, even a tiny percentage of your portfolio might see a substantial increase in value due to its rise. Furthermore, even if bitcoin does not take off, you will not lose your entire capital investment.
- If digital currencies (cryptocurrencies) become a significant component of your assets, you may be able to minimize the overall risk of your portfolio by reallocating more money to stocks.

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<sup>76</sup> 'CoinDesk' (Coin Desk) < <https://www.coindesk.com/> > accessed 05 December 2021

<sup>77</sup> *Ibid*

<sup>78</sup> *Ibid*

## Stocks

- Given that stocks have an established track record of long-term growth, you should concentrate your efforts on developing a diversified stock portfolio while still having decades before you need access to your money.
- Individual stock investing necessitates significant research to get the best possible returns.
- To invest in mutual funds, you may acquire an S&P 500 index fund without performing any research and reap the benefits of its strong performance in the stock market over time.

## WHAT IS BIBOX?

Decentralized funding is about to transform India thanks to the world's first artificial intelligence-powered digital asset trading platform, 'Bibox<sup>79</sup>,' which is entering the country when the government plans to ban the majority of private cryptocurrencies, including bitcoin. Bibox's Swiss VQF financial license is relied upon by more than ten million consumers in more than 160 countries. Bibox now provides its users with the flexibility to freely trade across 340+ trading pairs and 240+ currencies, according to the company.<sup>80</sup> A whole new set of revolutionary features have been integrated into a bitcoin trading platform for the first time. For example, some of them earn from decentralized financial services such as bitcoin, copy trading, and bot trading, amongst other activities. Combined with artificial intelligence technologies, these characteristics enable bitcoin traders to achieve unprecedented efficiency and simplicity. Additionally, the website is intended to make bitcoin trading accessible to those who are not technically savvy.<sup>81</sup>

Bibox is a firm that is ready to take on the nation of India – assisting with initiatives to improve global standards in the gaming, non-financial technology, and defense sectors. The site's revenue generation strategy benefits both traders and bitcoin projects throughout the globe. S-

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<sup>79</sup> 'Bibox' (Bibox) <<https://www.bibox.com/>> accessed 05 December 2021

<sup>80</sup> *Ibid*

<sup>81</sup> *Ibid*

POOL, Pre-taste, and the Worldwide Public Blockchain Club are just a few of the exciting new services available on the platform's "Selected" area,<sup>82</sup> which offers a big worldwide stage for enterprises with a broad range of requirements.<sup>83</sup>

## CONCLUSION

In 2014, it was projected that hackers would steal many bitcoins. When trading on the major stock exchanges in the United States, these risks are infrequent. Broad is one of the most famous Cryptological theories.<sup>84</sup> The stock market, in contrast to cryptocurrency regulations, is entirely secure. As a result of its use of cutting-edge technology and solutions to protect the safety and security of its customers, Bibox has gained the largest market share in India's cryptocurrency trading. A \$10 million marketing, personnel, and product development budget for cryptocurrency-related products and services have also been revealed by Murali for the Indian market (Head of Asia). When it comes to serving the Indian market, Bibox will not be intimidated.<sup>85</sup>

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<sup>82</sup> 'Crypto Bill Awaited World's First AI Digital Asset Trading Platform 'Bibox' Enter' (*The Week*, 3 December 2021) <<https://www.theweek.in/wire-updates/business/2021/12/03/pwr9-bibox.html>> accessed 05 December 2021

<sup>83</sup> *Ibid*

<sup>84</sup> *Ibid*

<sup>85</sup> *Ibid*