



Ministry of Consumer Affairs, Food & Public Distribution



Department of Consumer Affairs organizes a brainstorming session on Virtual Digital Assets

Adoption of Blockchain, VDAs and Web3; and challenges they pose to consumers remains the key theme

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The Department of Consumer Affairs organized brainstorming session on Virtual Digital assets, Web3 Sector and Consumers here today to have a constructive dialogue between the DoCA and stakeholders to dive deep into the Web3 ecosystem and to ensure end-to-end protection for users and various stakeholders.



While welcoming the participants, the Secretary DoCA Shri Rohit Kumar Singh said that the issues that many countries are facing in the online transaction on the Web2 will become more complex in the Metaverse or Web3. The enforcement of laws and regulation is difficult in the Web3 due to the dissolution of identities. Hence also making the set-up of Dispute Resolution Mechanism difficult on Web3. As the world today struggles with setting up the responsibilities of the platform on the Web2, the platform liability will become more complex in the decentralized Web3. A collective view on the Virtual Digital assets and Web3 is the need of the hour among countries. He further added that the Department of Consumer Affairs will restrict itself with the issues arising due to Virtual Digital assets and Web3 viz- viz to consumers only.

The brainstorming session was held on three major key highlights: First, Understanding the World Wide Web and Virtual Digital Assets and its background technologies. Second, understanding emerging Risks for Consumers from Virtual Digital Assets and how to mitigate Web3 Blockchain Risks and Security Threats. Third, Consumer Protection through existing & evolving Laws & Regulations for VDAs & Web3.



Various key personnel of the Web3 Association attended the session and gave presentations on the above key points. Judicial experts like Retd. Judge of the High Court and various Advocates practicing in the Supreme Court of India also attended the session and laid emphasis on the legal aspects of Web3. Many Government officials from the Department of Economic Affairs, the Ministry of Home Affairs, Ministry of Finance, the Indian Cybercrime Coordination Centre, Financial academics, Activists working to mitigate consumer risks in financial investments and consumer protection, media personnel, and journalists attended the session physically and shared their experiences and gave valuable suggestions. Also, many other stakeholders joined the session through video conferencing.

By the engaging discussions the following suggestions were proposed: Identifying potential consumer risks and challenges associated with Virtual Digital Assets and Web3 technologies, Designing robust frameworks for data privacy and security in decentralized applications, Analyzing the role of consumer education and awareness in navigating the complexities of the Web3 sector, Establishing consumer-centric regulations to prevent fraud and market manipulation in the realm of Virtual Digital Assets.



Participants also discussed the transformative impact of Virtual Digital Assets on industries like art, gaming, real estate, and finance, and how these changes could reshape the consumer experience.

The Department of Consumer Affairs looks forward to leveraging the outcomes of this session to foster ongoing collaboration between industry stakeholders and policymakers. The ideas and insights shared during this event will serve as a foundation for future policymaking, ensuring the Web3 ecosystem aligns with consumer interests. The Department has a long-standing practice of regularly engaging with key stakeholders and subject matter experts.

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