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Back to the Cryptocurrency Adjustment Index This report explores the legal and political landscape around cryptocurrencies around the world. This report covers 130 countries as well as a number of regional organisations that have adopted laws or policies on the subject. Over the past four years cryptocurrencies have become ubiquitous, prompting more national and regional authorities to tackle their regulation. The expansionary development of cryptocurrencies makes it possible to identify emerging patterns. Full Report (PDF, 1.4MB) Map: Legal Status of Cryptocurrencies (PDF, 404KB) Map: Cryptocurrency Regulatory Framework (PDF, 696KB) Map: Countries that have or issue national or regional cryptocurrencies (PDF, 638KB) Also refer to the cryptocurrency regulation in selected jurisdictions for more detailed reports on Argentina, Australia, Belarus, Brazil, Canada, China, France, Gibraltar, Iran, Israel, Japan, Jersey, Mexico and Switzerland. Comparative summary This report explores the legal and political landscape around cryptocurrencies around the world. While no different in the format of the 2014 Congressional Library report on the same issue, which covered forty foreign jurisdictions and the European Union, this report is significantly more comprehensive, covering 130 countries as well as some regional organizations that have issued laws or policies on the subject. This expansionary growth is mainly due to the fact that over the past four years cryptocurrencies have become ubiquitous, prompting more national and regional authorities to address their regulation. The resulting availability of a broader set of information on how different jurisdictions handle the fast-growing cryptocurrency market makes it possible to identify emerging patterns, some of which are described below. Country surveys are also organised at regional level to allow for a regional comparison. An interesting aspect of the fast-growing cryptocurrency market is the fluidity of the terms used to describe the various products that fall within the scope of its evaluation. While the various forms of what are widely known as cryptocurrencies are similar in that they are mainly based on the same type of decentralized technology known as blockchain with native encryption, the terminology used to describe them varies greatly from one jurisdiction to another. Some of the terms used by countries for cryptocurrency reporting include: digital currency (Argentina, Thailand and Australia), virtual merchandise (Canada, China, Taiwan), crypto-token (Germany), payment token (Switzerland), cyber currency (Italy and Lebanon), electronic currency lebanon, and a virtual asset (Honduras and Mexico). One of the most common actions identified in all jurisdictions surveyed is government-issued notices about the pitfalls of investing in cryptocurrency markets.

These warnings, issued mainly by central banks, have as their the difference between real currencies, issued and guaranteed by the State, and cryptocurrencies, which are not. Most government warnings note the additional risk arising from the high volatility associated with cryptocurrencies and the fact that many of the organizations facilitating such transactions are unregulated. Most also note that citizens who invest in cryptocurrencies do so at their own personal risk and that there is no legal recourse to them in the event of loss. Many of the warnings issued by various countries also note the opportunities created by cryptocurrencies for illegal activities, such as money laundering and terrorism. Some of the countries involved in the investigation go beyond mere public warning and have extended their laws on money laundering, counter-terrorism and organised crime to include cryptocurrency purchases and require banks and other financial institutions that facilitate these markets to carry out all due diligence requirements imposed under these laws. For example, Australia, Canada and the Isle of Man have recently introduced laws to bring cryptocurrency transactions and institutions that facilitate them under money laundering and counter-terrorism laws. Some jurisdictions have gone even further and imposed restrictions on investments in cryptocurrencies, the extent of which varies from one jurisdiction to another. Some (Algeria, Bolivia, Morocco, Nepal, Pakistan and Vietnam) prohibit any and all activities involving cryptocurrencies. Qatar and Bahrain have a slightly different approach, as they prevent their citizens from participating in all kinds of cryptocurrency activities at the local level, but allow citizens to do so outside their borders. There are also countries that, while not prohibiting their citizens from investing in cryptocurrencies, impose indirect restrictions by preventing financial institutions within their borders from facilitating cryptocurrency transactions (Bangladesh, Iran, Thailand, Lithuania, Lesotho, China and Colombia). A limited number of the countries surveyed regulate initial coin offerings (ICO), which use cryptocurrencies as a mechanism for raising capital. Of the jurisdictions involving ICO, some (mainly China, Macau and Pakistan) completely ban them, while most tend to focus on regulating them. In most of these latter cases, the regulation of ICO and relevant regulatory bodies varies depending on how of an ICO. For example, in New Zealand, specific obligations may apply depending on whether the token offered is categorised as a debt, equity title, managed investment product or derivative. Similarly, in the Netherlands, the rules applicable to a particular ICO depend on whether the token offered is considered a guarantee or a unit of collective investment, an assessment made on a case-by-case basis. Not all countries see the advent of blockchain technology and cryptocurrencies as a threat, although for different different. Some of the jurisdictions investigated for this report, while not recognizing cryptocurrencies as legal tender, see a potential in the technology behind it and develop a cryptocurrency-friendly regulatory regime as a means of attracting investment in technology companies that excel in this area. In this category there are countries such as Spain, Belarus, the Cayman Islands and Luxembourg. Some jurisdictions are seeking to go even further and develop their own cryptocurrency system. This category includes a diverse list of countries, such as the Marshall Islands, Venezuela, the Member States of the Eastern Caribbean Central Bank (ECCB) and Lithuania. In addition, some countries that have issued warnings to the public about the pitfalls of investing in cryptocurrencies have also determined that the size of the cryptocurrency market is too small to cause sufficient concern to justify regulation and/or prohibition at this juncture (Belgium, South Africa and the United Kingdom). One of the many questions arising from the acceptance of investments and the use of cryptocurrencies is the issue of taxation. In this respect, the challenge seems to be how to categorize cryptocurrencies and the specific activities that concern them for tax purposes. This is mainly important because whether profits from mining or selling cryptocurrencies are categorised as income or capital gains always determines the applicable tax scale. The countries surveyed have categorized cryptocurrencies differently for tax purposes, as shown by the following examples: Israel is taxed – as an asset Bulgaria – is taxed as a financial asset Switzerland – is taxed as foreign currency Argentina & Spain – is subject to income tax Denmark – is subject to income tax and losses are deductible in the United Kingdom: – companies pay corporate tax, companies not incorporated pay income tax, natural persons pay capital gains tax. Mainly due to a 2015 European Court of Justice (ECJ) ruling, profits from investments in cryptocurrencies are not subject to value added tax in the Member States of the European Union. In most of the countries surveyed for this report who are or are in the process of drawing up tax rules, cryptocurrency mining is also exempt from taxation. However, in Russia mining exceeding a certain energy consumption limit is taxable. In a small number of jurisdictions investigated cryptocurrencies are accepted as a means of payment. In the Swiss cantons of Zug and in a municipality within Icnio, cryptocurrencies are accepted as a means of payment even government agencies. The Isle of Man and Mexico also allow the use of cryptocurrencies as a means of payment together with their national currency. Like governments around the world that fund various projects by selling government bonds, the government of Antigua and Barbuda allows the financing of projects and charities through government-backed ICO. The three maps visually represent the findings of the report on legal status the regulatory framework surrounding cryptocurrencies and countries that have launched their own cryptocurrencies or plan to do so. Back to the top America Argentina According to argentina's National Constitution[1] the only authority capable of issuing the legal currency is the central bank. [2] Bitcoins are not strictly speaking legal currency, as they are not issued by the government monetary authority and are not legal tender. [3] Therefore, they can be considered money but not legal currency, since they are not a mandatory means of cancelling debts or liabilities. [4] Although bitcoins are not specifically regulated, they are increasingly used in Argentina, a country that has strict controls on foreign currencies. [5] According to some experts[6] a bitcoin may be considered good or something in accordance with the Civil Code,[7] and transactions with bitcoins may be governed by the rules of the sale of goods in accordance with the Civil Code. [8] The latest amendment to the Income Tax Act provides that the profit resulting from the sale of a digital currency will be considered income and taxed as such. [9] A more detailed report is available. Back on top Belize Belize does not seem to have any legislation regulating special cryptocurrencies. [10] Commercial enterprises in Belize are regulated by the Belize International Financial Services Commission. The Commission does not appear to issue licences for companies involved in cryptocurrency exchanges. [11] Back to the top Bermuda Bermuda has no laws or regulations governing special cryptocurrencies. However, the government is in the early stages of adopting legislation and regulations aimed at establishing Bermuda as an international destination for digital currencies, similar to its position in the insurance and reinsurance sectors. [12] At the end of 2017, the Bermuda government launched a working group to promote the regulatory environment and develop Bermuda as a destination for utility coupons, tokenized securities, cryptocurrencies and currency offerings. [13] The objectives of the working group are as follows: Create a cryptocurrency association with a defined code of conduct and operating rules. The Bermuda Cryptography Association is in the process of being set up and our aim is for this group to be self-in-government. The Bermuda Monetary Authority, in cooperation with the Ministry of Finance, will work together to draw up a letter or document confirming: Utility tokens are not security, as long as there is no promise of future value. It will allow companies from all over the world to set up in Bermuda for crowdfunding. Most importantly, the Legal and Regulatory Working Group will provide confirmation that Utility Vouchers are not prohibited or violate any local law [14] The task force has two working groups, headed by the Minister of National Security. One group is the Blockchain Working Group for the Legal and Regulatory Working Group and is tasked with ensuring that Bermuda Bermuda legislation and regulations for the development of cryptocurrencies. The other is known as blockchain's business development working group, which is tasked with aiding the development of technology for cryptocurrencies. The Business Development Agency is also working with the government in this effort to help bring new businesses to the island, create new jobs and boost its gross domestic product. [15] The government also aims to introduce a framework to regulate distributed ledger technologies (DLT) this year, to regulate companies operating in or from Bermuda and to use DLT to store or transmit value belonging to others, such as virtual currencies, currencies and securitized tokens. [16] This would cover the promotion and sale of utility badges, aligned with the DLT framework. [17] There have been no further statements on the Bermuda Government's public website discussing the proposed regulatory framework. On 17 January 2018, the Bermuda Monetary Authority issued a press release warning of the risks of initial coin offerings, noting that whether such offers fall within its regulatory limits is determined on a case-by-case basis, but that most such offers are unregulated because there are no requirements with which they are required to comply at this time. [18] Back to Bolivia Top The use of virtual currencies is prohibited in Bolivia. [19] The Central Bank stated that the use of currency not issued by the monetary authority is not permitted in the country. [20] Cryptocurrencies such as Bitcoin are not regulated and therefore the Central Bank warns of the potential losses to which the people who use them are exposed. [21] Back to Top Brazil On November 16, 2017, the Federal Reserve (Banco Central do Brasil) issued a Notice No. The Communication stated in part of the following: Given the growing interest of economic operators (society and institutions) in so-called virtual currencies, the Federal Reserve warns that these are not issued or guaranteed by any monetary authority, so they have no guarantee of conversion into state currencies, nor are they supported in real assets in any kind, it is the total risk of holders Companies that trade or maintain so-called virtual currencies on behalf of users, natural persons or legal entities shall not be regulated, permitted or supervised by the Federal Reserve. There is no specific regulation on virtual currencies in the legal and regulatory framework related to the National Financial System. In particular, the Federal Reserve does not regulate either transactions with virtual currencies. 5. The so-called virtual currency shall not be confused with the definition of electronic money referred to in Law 12.865 of 9 October 2013, and its regulation by means of regulatory acts adopted by the Federal Reserve of Brazil, in accordance with guidelines of the National Monetary Council. . . [22] A more detailed report is available. Back at the top of Canada Canada allows the use of cryptocurrencies, including Bitcoin. According to a website of the Financial Consumers Agency of Canada for digital currencies, [y]ou can use digital currencies to buy goods and services on the Internet and in stores that accept digital currencies. You can also buy and sell digital currency on open exchanges, called digital currencies or cryptocurrency exchanges. [23] However, cryptocurrencies, including Bitcoin, are not considered legal tender in Canada. [o]nly the Canadian dollar is considered an official currency in Canada. [24] The Currency Act defines legal tender as banknotes issued by the Bank of Canada under the Bank of Canada Coins Act issued under the Royal Canadian Mint Act [.] [25] Canada's tax laws and rules also apply to digital currency transactions, including those made with cryptocurrencies, and digital currencies are subject to the Income Tax Act. [26] The Revenue Service of Canada (CRA) has classified the cryptocurrency as a commodity and not a state currency. [27] Consequently, the use of the cryptocurrency to pay for goods or services is treated as an exchange transaction. [28] According to the Financial Consumers' Organisation, those purchased in digital currency should be included in the seller's income for tax purposes. The GST/HST also applies to the fair market value of any goods or services you purchase using digital currency... When you file your taxes, you must report any gains or losses from the sale or purchase of digital currencies. [29] With regard to taxation, the Revenue Service of Canada adds that, [w]here the digital currency is used to pay for goods or services, the rules on exchange transactions apply. An exchange transaction takes place when two persons agree to exchange goods or services and to carry out that exchange without the use of a legal currency. For example, paying for movies with digital currency is an exchange transaction. The value of films purchased using a digital currency must be included in the seller's income for tax purposes. The amount to be included will be the value of the films in Canadian dollars. [30] On 19 June 2014, the Governor-General of Canada gave his consent to Bill C-31 (Law implementing certain budget provisions tabled in Parliament on 11 February 2014, and other measures) [31] which includes amendments to Canada's crime proceeds (money laundering and the Terrorism Financing Act. The new law treats virtual currencies, including Bitcoin, as money service companies for the purposes of the Anti-Money Laundering Act. [32] The law is regarded as the world's first national law on digital currencies, and certainly the first global treatment in the Digital Currency Financial Transactions Act in accordance with the National Anti-Money Laundering Act. [33] On August 24, 2017, the Canadian Securities Managers (CSA) published the CSA Personnel Notice 46-307 on Cryptocurrency Offerings.[34] which describes the requirements of securities law may apply to initial coin offerings (ICO), initial token offers (ITOs), cryptocurrency investment funds and cryptocurrency exchanges that market these products. [35] On February 1, 2018, The Globe and Mail reported that the Ontario Securities Commission had approved the country's first blockchain fund—Blockchain Technologies ETF. [36] The Bank of Canada, Payments Canada, and R3, a distributed database technology company, are participating in a research initiative called Project Jasper to understand how distributed universal technology (DLT) could transform the wholesale payment system. [37] Phases 1 and 2 of the project 'focus on investigating the clearing and settlement of high-value interbank payments using DLT. Phase 3 explores the potential benefits of integrating this cash into the ledger with other assets such as foreign exchange and securities. [38] A more detailed report is available. Back to Top Chile According to an unofficial statement from the Central Bank of Chile virtual currencies do not have specific legal recognition in the country and trade and transactions involving cryptocurrency are not subject to the regulation or supervision of the monetary authority. [39] Back to the Top Colombia The Superintendencia Financiera (SF) of Colombia warned in a June 2017 circular that bitcoin is not a currency in Colombia and therefore cannot be considered legal tender that is vulnerable to debt cancellation. [40] The SF further stressed that the Colombian peso is the only legal currency, and that Banco de la República has the exclusive power to issue money to Colombia. [41] According to the SF, cryptocurrencies have no value under capital market laws and are therefore also not recognised as security. [42] The SF warned audited financial institutions that they are not authorised to protect, invest, mediate or manage fictitious money transactions. [43] The SF called on persons to be informed and to assume the risks associated with virtual currencies if they choose to exchange them, since these currencies have no private or State guarantee. [44] Back to the Top of Costa Rica The Central Bank of Costa Rica and its decentralised agencies (órganos de desconcentración máxima) issued a statement in October 2017 to economic participants, shares, securities, insurance and pension markets, as well as for the exchange of dwellings, remittances, the financial sector and the general public, warning them of the risks associated with the acquisition of cryptocurrencies for use either as financial savings or as a means of payment Costa Rica. The statement explained that Articles 42-51 of the Central Bank's organic law establish the currency in the Cost of Rica. The statement also claimed that the law defines the Central Bank as the sole issuer of accounts and coins and establishes the unlimited power of the colony to liquidate all kinds of monetary liabilities, both public and Private. Because of this, the statement said, Bitcoin and similar cryptocurrencies are not recognized as legal tender in the country and do not have the support of the Central Bank or the state of Costa Rica. Moreover, the effectiveness or use of cryptocurrencies as a means of payment in the country's economy cannot be guaranteed, nor can one be forced to accept them as a means of payment for the transaction of goods and services. The statement also claimed that because cryptocurrencies are not issued by a foreign central bank, they cannot be considered a foreign currency under the monetary exchange regime, and therefore do not have the security offered by the free currency conversion provisions of Articles 48 and 49 of the Central Bank's Organic Law. In the statement, the Central Bank and its decentralised agencies stressed that under no circumstances do they regulate or supervise cryptocurrencies as a means of payment. In addition, they stressed that transactions with cryptocurrencies cannot be carried out through the National Electronic Payment System (SINPE) used in Costa Rica. The statement warned that if any entity engages directly or indirectly with its customers in the commercialization or use of any of these digital assets, this transaction is carried out at the financial entity's own responsibility and responsibility, as well as at the responsibility of its customers. The statement added that this is in line with the obligation established by prudential regulations to prevent money laundering and terrorist financing, which requires financial entities to carry out the necessary risk analysis with regard to new technologies. The statement reiterated that any person who acquires digital currencies, either as a form of savings or in the interest of using them as a means of payment, and those who accept them with this function in commercial transactions, also do so at their own risk and responsibility, warning that they will participate in transactions not provided for by banking regulations or payment mechanisms approved by the Central Bank of Costa Rica. The statement concluded by saying that the warnings it contains do not limit or exclude other risks inherent in the use of the digital currency, and that the Central Bank will continue to study the issue. [45] Back to the top Ecuador The Central Bank of Ecuador has stated that Bitcoin is not an approved payment method in Ecuador. [46] It further clarified that bitcoin, as a cryptocurrency, is not supported by any authority, because its value is based only on speculation. [47] In addition, financial transactions with bitcoins are not controlled, supervised or regulated by any Ecuadorian entity therefore represent an economic risk for those who invest in them. [48] The Central Bank also stated, however, that the purchase and sale of cryptocurrencies such as bitcoin over the internet is not prohibited,[49] but that bitcoin is not legal tender and is not an approved payment method for goods and services in accordance with the Código Orgánico Monetario y Financiero (Organic Monetary and Financial Code). [50] Return to the top of El Salvador The Central Reserve Bank of El Salvador issued a statement on 6 November 2017 expressing its position on cryptocurrencies, which can be summarised as follows: At international and national level there is a debate on the use of cryptocurrencies. Cryptocurrencies are not legal tender in any jurisdiction, unlike conventional currencies issued by a monetary authority, they are not controlled or regulated and their price is determined by the supply and demand of their market. According to Articles 36–37 of the Organic Law of the Central Bank of El Salvador and Articles 3 and 6 of the El Salvador Monetary Integration Act, colón and the United States dollar are the only unlimited legal tender that can be used to pay monetary obligations on national territory. Every transaction made in a virtual currency is the responsibility and risk of the person making it. Raising money using digital currencies is prohibited. According to Article 184 of the Banking Act, all public fundraisers with or without advertising, and in any form, are prohibited by those who are not authorized under the Banking Act, or other laws that apply that regulate fundraising. According to the Central Reserve Bank, as a monetary authority, financial regulator and payment system watchdog, there is currently no legal or regulatory framework applicable to cryptocurrencies or their equivalents. The Central Reserve Bank will remain vigilant on this and other related issues. [51] Back to Top Guatemala In December 2017, the acting President of the Bank of Guatemala, Sergio Recinos, confirmed that both Bitcoin and other types of cryptocurrencies are not legal tender in the country and do not have regulatory support. It stated that, under Guatemalan law, quetzal is the national currency and the Bank of Guatemala is the sole issuer of accounts and coins within the national territory, in accordance with Articles 1 and 2 of the Monetary Law (Ley Monetaria). In this sense, virtual currencies are not recognised as currency in Guatemala and are not recognised as foreign currency, therefore, they are not a means of legal payment. Requinos added that because of their anonymous origin, cryptocurrencies can easily be used for illegal activities such as money laundering, terrorism, drug purchases and tax evasion, among others, to an extent that could be higher than cash. In addition, it said that cryptocurrencies are exposed to or piracy, which could lead to irreversible loss for the user. Finally, Retinsino warned that cryptocurrencies are not supported by any government and do not depend on a central bank issuer, therefore, no one is trying to value over time. He recommended that individuals carefully consider the issue before deciding to invest in cryptocurrencies. [52] Back on top of Honduras In January 2018, the Central Bank of Honduras issued a statement in response to questions from economic and financial players about the use of cryptocurrencies within the national territory, either as an investment or as a means of paying goods and services. The response said cryptocurrencies such as bitcoin, ethereum, litecoin and other similar cryptocurrencies do not have the support of the Central Bank of Honduras. Therefore, the Central Bank does not regulate or guarantee their use and these cryptocurrencies do not enjoy the legal protection afforded by the laws of the country with regard to the payment system. As a result, any transaction made with this type of currency or virtual assets is the liability and risk of the person conducting the transaction, the statement said. [53] Mexico's back-to-the-top Mexico Law on the Regulation of Fintech Companies, enacted in March 2018, includes a chapter on operations with virtual assets, commonly known as cryptocurrencies. [54] This Chapter defines virtual assets as representations of value recorded electronically and used by the public as a means of payment for all types of legal transactions, which can only be transferred electronically. [55] In addition, Mexico has adopted a law extending the application of its money laundering legislation to virtual assets, thus requiring financial institutions providing services related to those assets to report transactions exceeding certain amounts. [56] The Central Bank of Mexico has broad powers under the Virtual Asset Regulation Act, including the definition of the virtual assets with which financial companies are allowed to operate in the country, the definition of their specific characteristics and the definition of the terms and restrictions applicable to transactions with those assets; and empowering financial companies to trade with virtual assets. [57] The relevant regulations applicable to these assets must be adopted by the Central Bank of Mexico within one year of the adoption of the law. [58] Financial companies trading with virtual assets should notify their customers of the risks to those assets. [59] At the very least, these companies must inform their customers in a clear and accessible manner to their respective their locations or the means they use to provide services, relating to the following: A virtual asset is not a legal currency and is not supported by the Federal Government or the Central Bank of Mexico; After execution, transactions with virtual assets may be irreversible. The value of virtual assets is volatile, and technological, cybernetic and fraud risks are inherent in virtual assets. [60] A more detailed report is available. Back to the top Venezuela under Decree 3196 of 8 December 2017,[61] the Venezuelan government was to create its own cryptocurrency, the petro, which will naturally be supported by Venezuelan oil barrels. [62] A petro would be supported by a buy-to-sell contract for a Venezuelan oil barrel as stated in the OPEC reference basket, as well as other commodities, including gold, diamond, coltan, and gas. [63] Decree 3196 provides in particular for the operational details of petro, including its issuance, mining and trade in Venezuela in accordance with the rules of purchase and sale contained in the Civil Code. [64] According to a legal expert on information technology legislation, all cryptocurrencies are considered to be a financial asset subject to the rules applicable to those assets in accordance with Decree 3196 and none of its provisions declare them illegal. [65] The Decree also creates the Superintendencia de los Criptoactivos y Actividades Conexas Venezolana (Supervisor of Venezuelan cryptocurrencies and related activities) as the supervisory authority of cryptocurrencies. [66] Decree 3196 stipulates that the holder of petro will be able to exchange the market value of the cryptocurrency for the equivalent in another cryptocurrency or in bolivares (the traditional Venezuelan currency) with the market exchange rate published by a national cryptoasset shopping centre. [67] The holder of each petro would also own a virtual wallet, which was to be his/her responsibility, along with the risks associated with his or her diligence and management. [68] According to Decree 3196, an initial coin offer will be made through the auction or direct award by the Cryptoassets Supervisor and the related Venezuelan activities. [69] On March 8, Asamblea Nacional (National Assembly, Venezuelan Congress) declared that issuing a domestic cryptocurrency such as petro is illegal because to be put into public debt and borrowed on behalf of the Venezuelan government, congressional approval and a special law is required by the National Constitution. [70] In addition, only the Central Bank of Venezuela can issue a national currency. [71] Asamblea Nacional also stated that oil reserves are public national assets belonging to the Republic and are non-transferable assets and therefore cannot be used as collateral for any debt. [72] Despite these statements from the National Asamblea, the government has said that petro will become legal tender for all transactions involving government institutions within 120 days from 9 April 2018. [73] Back to the top Caribbean I. Eastern Caribbean Central Bank The Eastern Caribbean Central Bank (ECCB) is the monetary authority for eight economies in the Eastern Caribbean Monetary Union using a common currency known as the Eastern Caribbean dollar[74]Anguilla, Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Montserrat, Saint Kitts and Nevis, St Lucia, and St. Vincent and Grenadas. [75] On 9 March 2018, ECCB signed a Memorandum of Understanding with Barbados-based fintech company Bitt Inc. Barbados, participate in a pilot project that will allow it to issue a digital currency. Expected to launch at the end of 2018, the pilot program will specifically include the development of an Eastern Caribbean digital dollar using distributed ledger technology with a blockchain platform specifically designed for a secure and secure digital economic ecosystem. Essentially, it would be a testament to the concept, designed to demonstrate the viability and functionality of the ECCB digital eastern Caribbean Dollar version. [76] ECCB will work closely with Bitt Inc. to develop, develop and test technology focused on data management, compliance and transaction monitoring system for Know Your Customer, combating money laundering and combating terrorist financing. . . . The pilot project will also focus on developing a secure, resilient digital payment and settlement platform with integrated regional and global compliance; and the issue of a digital EC [Eastern Caribbean] currency, operating in parallel with the natural Community currency. [77] While summarising the regional effort to adopt a common digital currency, the national efforts of ECCB Member States to address emerging cryptocurrency currencies are analysed below, together with the efforts of other Caribbean countries not involved in the pilot implementation of eccb. Back to Top II. Country Surveys Anguilla The Government of Anguilla announced in late 2017 that it would introduce legislation, known as the Anguilla Utility Discretionary Offering Act (AUTO Act), to regulate the initial bids of certain types of cryptocurrencies (ICO). [78] The government has noted that certain types of tokens are considered securities, and are therefore already regulated under existing securities.[79] but that a large portion of non-security tokens remained with no clear instructions as to where to integrate into the emerging blockchain economy. As a result, we have focused our efforts on creating a safe and effective regulatory framework for non-security token offerings, which appear to represent the majority of current fundraising activity within the blockchain community. [80] The new legislation will serve to provide a status for Anguilla entities to register in order to carry out an offer of non-security tokens, which are distinctive that do not have the same securities characteristics, but that have one or more utility features within the issuer's current or proposed blockchain platform. [81] The AUTO Act is structured in a way that regulates utility tokens, avoiding the burden imposed by securities regulations and the highest levels of regulatory control that would have to be carried out were the insignia to fall under securities laws. [82] Utility tokens are therefore categorized as those that can be redeemed for consumer goods or services, rather than as a share in profits or an interest in supply-related technology. [83] In order to be registered, the entity must assemble a 'white paper', together with the which must undergo a technical and legal review to include information on the structure of the companies, location, business situation, project description, a technical and legal description of the tokens to be offered, how the proceeds to be generated will be used, and anti-money laundering provisions , as well as any risk factors present for the purchase of tokens. [84] The Anguilla government will benefit financially from the legislation by collecting a registration fee, along with a 1.5 percent contribution to the total amount raised by a symbolic offer. [85] The Government of Anguilla has stated: We believe that this new AUTO Law will help Anguilla become the leader in establishing best practices for cryptocurrency offerings, to protect the people of Anguilla and the participating public. . . . We believe the AUTO Act would be an important step in the right direction, to provide clearly defined rules and increased security for the blockchain community. [86] On 13 December 2017, the Anguilla Executive Board stated that employees should establish a regulatory regime for utility token offers to be submitted to the governor. [87] No further information on the status of this bill has been identified. Anguilla has also signed up to participate in the ECCB pilot project, which will test the use of cryptocurrencies alongside the country's national currency (see ECCB debate, supra). Back in Top Antigua and Barbuda Antigua and Barbuda currently has no legislation specifically regulating the use of cryptocurrencies. Newspapers in Antigua and Barbuda reported that the Antigua government has instructed its Attorney General to draft laws for the application of bitcoin. [88] No details or further information on this proposed legislation were found. The government of Antigua and Barbuda reportedly allowed the financing of projects and charities in the country through an initial supply of development coins[89] by selling a state (non-state) development currency of Antigua and Barbuda, based on the ethereum cryptocurrency. [90] No further information on this offer was found through a government source. Antigua and Barbuda have signed up to participate in the ECCB pilot project, which will test the use of cryptocurrencies alongside the country's national currency (see ECCB debate, supra). Back to the Top Bahamas The Bahamas has no legislation that applies specifically to cryptocurrencies. The regulation of cryptocurrencies in the Bahamas currently varies depending on whether the currency is considered currency or merchandise. [91] Although it does not have legislation specifically designed to deal with cryptocurrencies, the Central Bank of the Bahamas has stated that the regulations it adopted in 2017, which provide a framework for a system of national electronic payment services, also apply to cryptocurrencies. [92] The Regulations apply the best international standards for the provision of payment services and define electronic money as an electronically stored monetary value, as represented by a euro claim relating to the issuer, issued on receipt of funds for the purpose of making payment transactions and accepted as a means of payment by persons other than the issuer, and comprising a monetary value stored magnetically or on any other physical or intangible device (such as a SIM card or software). [93] The Central Bank also stated that the conversion of instruments to and from the Bahamian currency would be governed by stock market control regulations, and that [t]he Bahamian Securities Committee would reserve the right to supervise any aspect of non-payment of cryptocurrency transactions domiciled in the Bahamas. [94] The Bahamas is actively considering developing blockchain technology to use on the island to help create efficient and simplified transactions. Specifically, the government has noted that [t]he Bahamas is also currently developing programs for chain block-based solutions, fin-tech and crypto-currency companies, and we intend to promote the block chain as a sub-industry within ICT. [95] The Bahamas is in the process of a bill that would bring virtual currencies into the hold of crime product legislation. [96] Clause 2 of the Bill defines the virtual currency as a digital representation of the value that can be traded digitally and acts as – (a) an exchange instrument; (b) unit of account; or (c) a warehouse of value which has no legal tender status or bears no guarantee or guarantee in any jurisdiction. [97] If enacted, the provisions of the Money Laundering and Anti-Financial Bill will apply to cryptocurrencies. [98] It also appears that the Bahamas could act both to bring cryptocurrency exchanges to the mission of the Central Bank of the Bahamas and introduce a digital version of the Bahamian dollar. [99] Back to the top Barbados Barbados does not seem to have laws regulating special cryptocurrencies. In 2015, the Central Bank of Barbados (CBB) issued a document discussing whether cryptocurrencies should be included in its international reserves portfolio, but did not appear to have acted to do so. [100] Barbados is home to Bitt Inc, the fintech startup that has signed a memorandum of understanding with the ECCB to launch a pilot of blockchain technology, which will allow eight Caribbean countries to test the use of cryptocurrencies alongside their national currencies (see Annex I). ECCB debate, supra). While Barbados is not a party to this memorandum of understanding, there have been reports that Bitt Inc. is going to create a digital dollar which would be linked to the value of the country's natural currency, but the government has not yet issued a statement on this matter. [101] Return to the Top British Virgin Islands The British Virgin Islands have not yet issued any guidance applicable to the cryptocurrency and does not appear to have legislation or specific to this area.[102] with the government appearing to choose a waiting approach. [103] One commentator has noted that its existing laws are aimed at companies wishing to make initial coin offerings (ICO), and some companies have already registered in accordance with the country's corporate laws and subsequently conducted ICO. [104] Back to the Cayman Islands The Cayman Islands seem to have a fairly flexible regulatory environment for cryptocurrencies and blockchain technologies. Although there does not appear to be any specific legislation geared to the regulation of cryptocurrencies, there are laws that in some cases may apply. These include the Securities Investment Firms Act (2015 revision),[105] Anti-Money Laundering Laws and Regulations (AML),[106] Money Services Act (2010 Review),[107] and Electronic Transactions Act (2003 review). Lawyers Chris Humphries and James Smith predict that more concrete legislation will eventually be created although, for now, regulators and lawmakers in the Cayman Islands want to avoid rushing through any legislation before the potential benefits and pitfalls of blockchain technology, cryptocurrencies and ICO are properly understood. [108] On January 29, 2018, the Prime Minister of the Cayman Islands, Alden McLaughlin, reportedly spoke at a leading blockchain conference called d10e where he encouraged blockchain companies to settle in Cayman Enterprise City, a special economic zone serving technology-related entities. [109] The CEO of Cayman Enterprise City, Charlie Kirkconnell, told the conference that about fifty blockchain companies have established or are in the process of establishing themselves in the zone. [110] Back to Dominica Peak On March 14, 2015, Dominica was reportedly scheduled to host an event, officially titled The Bit Drop, which aimed to put bitcoins in the hands of the entire Dominica population, reported to be 70,000 people, but the project was cancelled. [111] According to Dominica News Online, organizers indicated that they did not receive enough support from the government at the event, and an election cycle may have complex issues. [112] More recently, Dominica signed up to participate in the ECCB pilot project, which will test the use of cryptocurrencies alongside the country's national currency (see ECCB debate, supra). Back to the Top Dominican Republic The Dominican Central Bank has stated that virtual currencies are not supported by the Bank and are not legal tender under Dominican Republic law. [113] Thus, financial institutions authorised to operate in the country they can trade using these currencies, and the persons who acquire or accept them as payment do so at their own risk. [114] Back to the Top Grenada Grenada has no specific legislation for regulating cryptocurrencies. It has, however, signed up to participate in the ECCB pilot project, which will test the use of cryptocurrencies alongside the national (see eccb debate, supra). Back to Jamaica Peak In a press release issued on February 5, 2018, the Bank of Jamaica warned the public to be careful in using virtual currencies (cryptocurrencies) given the associated risks and the absence of appropriate governance and consumer protection arrangements, according to the Jamaica Observer. [115] Noting the advantages of virtual currencies in the possible promotion of financial integration, the Bank warned that. . . . The following risks must be taken into account: 1. Virtual currencies are not legal tender in Jamaica. 2. Bank of Jamaica neither issues nor supports virtual currencies. 3. Virtual currencies are not foreign currencies, as there is no monetary authority issuing or supporting them. 4. The Bank of Jamaica shall not regulate or supervise virtual currencies. 5. The Bank of Jamaica has not authorised any entity to operate a virtual currency platform. 6. Transactions in virtual currencies, such as bitcoin, are prone to criminal abuse and may facilitate money laundering and terrorist financing. [116] Back to the top Montserrat Montserrat has no specific legislation for regulating cryptocurrencies. However, it has signed up to participate in the ECCB pilot project, which will test the use of cryptocurrencies alongside its national currency (see ECCB debate, supra). Back on top Saint Kitts and Nevis Saint Kitts and Nevis has no specific legislation to regulate cryptocurrencies. However, it has signed up to participate in the ECCB pilot project, which will test the use of cryptocurrencies alongside the country's national currency (see ECCB debate, supra). While the country does not have specific legislation on the issue, the Saint Kitts and Nevis Citizenship from Investment Unit (CIU) reportedly issued a statement in June 2014 that it would not accept digital currency as a means by which applicants for citizenship through Citizenship from the Investment Program could participate in the program. We also stress that we do not accept Bitcoins, we have never accepted Bitcoins and we will not accept Bitcoins, the OSE said. [117] Back to top St Lucia St Lucia has no specific legislation to regulate cryptocurrencies. However, it has signed up to participate in the ECCB pilot project, which will test the use of cryptocurrencies alongside the country's national currency (see ECCB debate, supra). Back to the Top St. Vincent and the Grenadines St. Vincent and the Grenadines has no specific legislation to regulate cryptocurrencies. It has, however, signed up to participate in the ECCB pilot project, which will test the use of cryptocurrencies alongside its current national currency (see Annex II). ECCB, supra). Back in Trinidad and Tobago A 24 February 2018, the news article reported that the Ministry of Finance of Trinidad and Tobago has distanced itself from a recent digital currency offering, and in clarifying its position stressed in a statement that that Committee, has not approved from that date any initial offer of currencies. [118] According to the Article, the Commission statement also identified the following risks and urged the public to exercise caution: 1) Increased potential for fraud – the fact that products and those selling them may in some cases not be regulated, [may] expose investors to fraud; 2) Cross-border distribution risks – the issuer may operate the ICO outside the investor's jurisdiction, so, after the money in the event of a collapse of the ICO as well as the recovery of invested funds, it can prove extremely difficult [for the investor]; 3) Information asymmetry – investors may not be able to understand risks, costs and expired returns . . . resulting from their investment; 4) Liquidity risks – In some jurisdictions, cryptocurrency exchanges may also be unregulated and operate unsupervised. Thus leaving investors vulnerable to dramatic price changes and the likelihood of not being able to give up their holdings (invested funds) In view of the above, the Ministry of Finance advises members of the public to be careful when participating in any form of investment and in case of doubt, to seek the advice of regulators – the Securities and Exchange Commission and/or the Central Bank of Trinidad and Tobago. [119] Return to the Top of Europe I. European Union of EU Member States On 5 July 2016, the European Commission presented a legislative proposal amending the Fourth Anti-Money Laundering Directive (AMLd). [120] It proposed, inter alia, to place custodian wallet providers and virtual currency exchange platforms within the scope of aml, which means that they would be obliged to meet due diligence requirements and have policies and procedures in place to detect, prevent and report money laundering and terrorist financing. The proposal contains a definition of virtual currencies, which are described as a digital representation of the value not issued by a central bank or public authority, nor are necessarily linked to a fiat currency, but accepted by natural or legal persons as a means of payment and may be transferred, stored or traded electronically. [121] On 29 January 2018, the text agreed in the interinstitutional negotiations of the European Parliament and of the Council was adopted in committee. The European Parliament adopted the text at a plenary session on 19 April 2018. [122] The updated Directive will enter into force three days after its publication in the Official Journal of the European Union, Extra 8 March 2018, the European Commission presented an action plan on how to exploit the opportunities presented by technological innovation in financial services (FinTech), such as blockchain, artificial intelligence and cloud services. [123] The Financial Technology Action Plan includes the recently launched EU Blockchain Observatory and Forum, which will assets later in 2018 and is working on a comprehensive strategy for distributed ledger and blockchain technology that covers all sectors of the economy. [124] On 22 October 2015, the European Court of Justice (ECJ) held in its judgment in Hedqvist that transactions in the exchange of a traditional currency with bitcoin or other virtual currencies and vice versa constitute the provision of services for onerous reasons, but fall under the exemption from value added tax (VAT). [125] The purchase or sale of bitcoin is therefore exempt from VAT in all EU Member States. On 12 February 2018, the European Securities Supervisory Authorities (ESMA), banks (EBA) and insurance and pension services (ESAES) jointly issued a warning to consumers about virtual currencies, stating that they are extremely dangerous and unregulated products and are unsuitable as products of investment, pension or pension planning. [126] The warning concerns ESMA's two previous statements regarding initial coin offerings (ICO) in November 2017[127] and a warning to consumers and two opinions on virtual currencies from EBA in December 2013, July 2014 and August 2016, respectively. [128] EBA welcomes the European Commission's decision to include wallet providers and virtual currency exchange platforms in the scope of the Fourth AMLD and not to extend EU Directive 2015/2366 on payment services to virtual currency transactions. [129] EBA proposes a separate regulatory regime to mitigate all risks arising from virtual currencies. [130] The President of the European Central Bank (ECB), Mario Draghi, warned that bitcoin and other digital currencies are very dangerous assets because of their high volatility and speculative prices. [131] It stated that 'digital currencies are not subject to a specific supervisory approach', but that [w]ork is under way in the Single Supervisory Mechanism[132] to identify potential prudential risks that these digital assets could pose to supervised institutions. [133] In addition, in December 2016, the ECB and the Bank of Japan (BOJ) launched a joint research project entitled 'Stella', which examines the possible use of distributed ledger technology for financial market infrastructure. [134] Back to the Top of Austria The Austrian Ministry of Finance (Bundesministerium für Finanzen, BMF) does not regard cryptocurrencies as legal tender or financial instruments. Instead, it classifies them as other (intangible) goods. [135] It stated that cryptocurrencies are treated like other business assets for income tax purposes. According to the mining is generally a commercial activity and is therefore treated like any other product of goods. The same applies to the operation of online trading platforms and cryptocurrency ATMs. [136] As regards VAT, the BMF follows the case-law of the ECJ in Hedqvist. [137] Transactions for the exchange of a traditional currency with bitcoin or other virtual currencies and vice versa are exempt from VAT. Vat. or other virtual currencies used as a means of payment for services or goods are treated in the same way as traditional means of payment. Mining is not subject to VAT because there is no identifiable recipient. [138] The Austrian National Bank (Oesterreichische Nationalbank, OeNB) does not regard bitcoin as a currency because it does not fulfil the formal functions of money due to strict quantity restriction and no stabilising central authority. [139] Bitcoin is not currently covered by the Electronic Money Act or the Payment Services Act. [140] Ewald Nowotny, governor of the OeNB, has highlighted the dangers of cryptocurrencies. [141] Stated that [b]itcoin & Co. . . . they are highly speculative investments that involve high risks to individuals. In addition, it expressed its support for the amendment of the EU Money Laundering Directives, as well as for the Austrian Ministry of Finance's proposal to require ICO prospectuses and to import licences from the Financial Markets Authority (FMA). [142] Finally, it added that any regulatory initiative should be complemented by improving the economic education of the public. Like OeNB, the FMA has warned investors about the risks of cryptocurrencies. [143] It stated that virtual currencies such as bitcoin and trading platforms are not regulated or supervised by the FMA. The FMA does not regard them as means of payment of legal tender or as marketable foreign currencies. However, it noted that some business models may require FMA approval. [144] The FMA decides on a case-by-case basis whether an ICO requires a licence. [145] Back to Top Belgium Cryptocurrencies remain unregulated in Belgium, and there seem to have been very few official statements on the subject. In January 2014, the Belgian National Bank (Banque nationale de Belgique, BNB) and the Financial Services and Markets Authority (FSMA) issued a joint press release warning consumers of the dangers of cryptocurrencies. [146] Their main points were that cryptocurrencies are not legal tender, and that they are completely unregulated and do not fall within the competence of any monitoring or regulatory authority. [147] More recently, in December 2017, BNB governor Jan Smets reiterated in an interview that bitcoin is not a real currency, as it is not guaranteed by a central bank or government as a means of payment. [148] The Belgian Finance Minister, in response to a question from a Belgian senator, said in July 2013 that while bitcoin appears to be somewhat problematic as a tool for laundering and other illegal activities, such problems should not be overestimated. [149] It also said that, based on studies by the BNB and the European Central Bank, bitcoin does not present significant risks to the price financial system in general, or its individual users. Finally, in the same announcement, the finance minister said that government intervention in relation to bitcoin does not seem necessary, given how small the bitcoin market was at the time. [150] In April 2017, Belgian Justice Minister Koen Geens announced that he plans to establish a legal framework for cryptocurrencies. [151] One of the Minister's main objectives is to create a mechanism to verify the conversion and exchange rates of cryptocurrencies, as is the case with that of traditional financial circuits. [152] He would also like to better monitor those who promise unrealistic returns and conversion rates, as well as

find ways around the anonymity of cryptocurrency payments, so as to limit their use as vehicles for money laundering. In addition, Geens would like to establish a mechanism for the courts to properly assess cryptocurrencies when they are seized as part of criminal investigations. [153] This project appears to be mostly ambitious, and no action appears to have been taken to promote it so far. Back to the Top of Bulgaria On 14 February 2018, the Bulgarian National Bank announced that it is united with the position of European supervisory authorities on the risks involved in the virtual currency market. The Bank noted that these currencies show exceptional price volatility and signs of a pricing bubble. [154] According to the Bank, consumers who buy virtual currencies should be aware that there is a high risk of losing a large amount, or even all, of the money invested. [155] Bulgarian tax authorities reportedly issued rulings in 2014 requiring individuals to pay taxes on profits from the sale of cryptocurrencies, similar to the sale of financial assets. [156] In 2015, a Bulgarian court reportedly concluded that activities related to the purchase, sale and payment of cryptocurrencies are not subject to licensing requirements. [157] Back to Top Croatia On 18 December 2017, Croatia's Financial Stability Council warned that people investing in virtual currencies are solely responsible for their losses and should be aware of possible taxation. [158] It stated that Croatian regulators are not responsible for supervising or trading in virtual currencies. The Council noted that virtual currencies are linked to significant risks, such as the risks of digital wallet theft and transaction abuse, fraud, etc. A similar warning was issued by the National Bank of Croatia on 22 September 2017. [159] at the Top of Cyprus The Central Bank of Cyprus issued a warning stating that virtual currencies are not legal tender, that there are no specific regulatory protection measures to cover losses from their use and that their prices are subject to volatility. [160] Return to the Top Czech Republic On 27 February 2018, Mojmir Hampl, the Deputy Governor of the Czech National Bank (CNB) made the following statement: The fact that cryptocurrencies are . . . Commodities [and not currencies] also shape our light, liberal approach to regulation in the CNB. We do not want to ban them and we do not hinder their development, but we also do not actively help or promote them and we do not protect them or the customers who use them. As in a casino, everyone who invests in a cryptocurrency must be prepared to lose the entire bet. And central banks don't regulate casino visits. [161] Amendments have been made to the legislation of the Czech Republic to combat money laundering, also making it applicable to persons providing services related to virtual currencies— i.e. persons who buy, sell, store, manage or mediate the purchase or sale of virtual currencies or provide other services related to currencies such as an undertaking. [162] Back to the Top Denmark Denmark has no laws specific to cryptocurrencies, and no regulatory proposals on cryptocurrencies are pending in the Danish Parliament. However, government agencies have issued several statements on cryptocurrencies. [163] The Danish Financial Supervisory Authority issued a statement in 2013 rejecting bitcoin as a currency and stating that it would not regulate the use of bitcoin. [164] In its statement, the Financial Supervisory Authority stressed that it assessed the use of the bitcoin system and found that it did not fall into any of the categories of financial services, including the issuance of electronic money, payment for services, foreign exchange exchanges or the issuance of mortgages; Thus, bitcoin activity is not covered by the applicable financial regulations. [165] In 2017, the Financial Supervisory Authority published a report on ICO (Initial Coin Offerings) in which it stated that cryptocurrencies used exclusively as a means of payment are still not regulated by the Authority. [166] However, ICO can be carried out in a way that falls within the competence of the Authority.[167] and will therefore be subject to Danish regulation—for example, legislation on alternative investment funds, prospectuses and money laundering. [168] The Central Bank of Denmark has criticised cryptocurrencies. In 2014 it issued an initial statement stating that bitcoin is not a currency. [169] According to the statement, [b]itcoin has no real commercial value compared to gold and silver, and thus is more similar to glass beads. [170] The Central Bank of Denmark went on to point out that bitcoins are not protected by national laws or guarantees, such as the deposit guarantee. [171] Similarly, in a 2014 document, the Central Bank of Denmark discussed virtual currencies, specifying that virtual currencies are not regulated and are therefore linked to high risks to consumers. [172] In 2017, the Director of the Central Bank of Denmark issued warnings against the use of bitcoin. [173] His criticism of cryptocurrencies was repeated in 2018. [174] In addition, the Central Bank of Denmark has made it clear that it is not in favour of creating Danish electronic currency (issued by the Central Bank), unlike neighbouring Sweden. [175] SKAT (the Danish tax authority) issued a series of declarations on virtual and cryptocurrencies. For example, in 2014 it published a binding response (response to a public taxpayer question binding on the Tax Authority's interpretation) in which it stated that an invoice amount cannot be issued in bitcoins, but must be issued in Danish crowns or other recognised currency. [176] The Authority went on to say that any bitcoin losses cannot be deducted as the cost of doing business when bitcoins are used as a means of payment. [177] In 2016, the Authority discussed cryptocurrencies in relation to value added tax (VAT) and found that cryptocurrencies are exempt from VAT. [178] The judgment is in line with the judgment of the Court of Justice of the European Union in 2015. [179] The Authority has also commented on how bitcoins mining should be treated in terms of VAT taxation. [180] The case concerned a Danish person who wanted to sell fragmentation capacity on the electricity grid, an activity subject to VAT. [181] The Danish Tax Council in 2018 stated that losses from sales of bitcoins purchased as an investment are tax deductible and that profits are subject to income tax. [182] Back to the Top Estonia On 27 November 2017, Estonia has introduced amendments to its anti-money laundering legislation[183] which define cryptocurrencies (virtual currencies) as a value represented in digital form and which are digitally transferable, preserved or marketable and that natural or legal persons accept as a means of payment, but this is not the legal tender of any country or capital (banknotes or coins) , scriptural money held by banks, or electronic money. Anti-money laundering legislation now also applies to providers of a fiat virtual currency exchange service and providers of a virtual currency wallet service, which is defined as a service in which keys are created for customers or encrypted customer keys, which can then be used to maintain , saving and transferring virtual currencies. [184] Virtual currency providers must be licensed. [185] Back to Top Finland Finland has no specific regulations dealing with cryptocurrencies and there is no proposed legislation on cryptocurrencies pending in the Finnish Parliament. However, several organisations have issued advisory statements on how they view cryptocurrencies. The Finnish Financial Authority issued in 2017 an advisory that cryptocurrencies are risk-covered investment alternatives. [186] It also noted that, depending on the initial coin offering (ICO), there may be regulatory market effects—for example, EU rules on alternative investment funds. [187] In 2017, the Finnish supervisory authority also discussed the future of ICO in a blog post. [188] The Central Bank of Finland issued a statement 2014 stating that cryptocurrencies, especially bitcoin, are inherently linked to risks, noting that the use of Bitcoin is not supervised or regulated in any way. [189] nor is it equivalent to a payment service as defined in the Payment Services Act. [190] In a 2017 report published by the Central Bank, the Central Bank's subsidiaries were more positive, reportedly describing bitcoin as revolutionary and obviously[] functional and useful [191] The Finnish tax authority (Vero Skatt) issued guidelines on the taxation of virtual currency income, including bitcoin, in 2013. [192] When transferred to another currency, the rules on the taxation of capital gains apply, the Tax Authority said. When the currency is used as a payment method for goods and services, it is treated as trade and the increase in the value that the currency could have acquired after its acquisition is taxed. [193] The sale of bitcoins at a loss in value compared to the original purchase price is not deductible under the Income Tax Act because such a loss of value is not specifically described as deductible in law. [194] In 2017, the Tax Authority issued additional recommendations stating that the exchange rate is determined at the time bitcoin is made (i.e. when cash is made), and that cryptocurrency records should be kept for six years. Bitcoin sales have reportedly led to millions of revenues for the Finnish Tax Authority. [196] The Tax Authority has monitored both those who trade and those who use cryptocurrencies. [197] The Åbo Court of Appeal is alleged to have found that Finnish customs may auction bitcoins seized in connection with drug crimes, and as of February 2018 these bitcoins are estimated to amount to 19 million euros (approximately US\$23.5 million). [198] The Finnish government is said to have issued guidelines on how to store confiscated bitcoins. [199] Back to France's Top Cryptocurrencies remain largely unregulated in France, with two provisions on blockchain technology being the only legislative action taken so far. However, the French Government is actively moving towards the introduction of a regulatory regime. A 2016 decree included two provisions allowing the use of blockchain technology for a specific type of zero coupon bond called a minibon. [200] The main impact of this decree was to provide the first blockchain definition to French law, but otherwise these provisions had only a very close application. Another decree, from December 2017, went further and will make it possible to use blockchain technology a wider range of financial instruments. [201] This Decree will enter into force when the Implementing Decree is published, or on 1 July 2018 at the latest. [202] The French Financial Markets Authority (AMF) and the Prudential Regulation Authority (ACPR) recently issued a joint communication to the warning about the current unregulated nature of cryptocurrencies. [203] This document notes that bitcoin and other cryptocurrencies are not considered financial instruments under French law and therefore do not fall within the regulatory framework of real currencies or under the supervision of AMF. [204] AMF and ACPR recognise the potential benefits blockchain technology can have for companies, but warn that cryptocurrencies are unregulated and highly volatile investments. [205] This document is reminiscent of a slightly larger report published by the French Central Bank (Banque de France) in December 2013. [206] This report explained that bitcoin cannot be considered a real currency or payment instrument in accordance with applicable French law,[207] and criticised it as a means of speculation, as well as a means of money laundering and other illegal activities. [208] The 2013 report also proposed that the conversion between bitcoin and real currencies be considered a payment service, which could therefore only be carried out by payment service providers authorised and supervised by the ACPR. [209] ACPR acknowledged this position in a 2014 document in which it stated that entities that typically operate or sell cryptocurrencies in exchange for real legal tender must be licensed as payment service providers by ACPR. [210] However, the Joint Communication of AMF and ACPR for 2017 recognises that 'the purchase/sale and investment in bitcoin currently operate outside any regulated market'. [211] In addition to the independent regulatory bodies mentioned above, the French legislative and executive departments are actively exploring how best to regulate cryptocurrencies. To this end, the National Assembly (Assemblée nationale, one of the two chambers of the French Parliament) has launched a fact-finding mission on cryptocurrencies.[212] and a separate fact-finding mission for blockchains and other technologies to certify ledgers. [213] In addition, the Minister of Economy recently instructed a former Deputy Governor of the Banque de France to investigate how best to regulate cryptocurrencies in order to 'better control their development and prevent their use for tax evasion, money laundering or financing of criminal or terrorist activities'. [214] It is also worth noting that France and Germany have jointly requested that cryptocurrencies be discussed by the G-20, so that coordinated initiatives can be taken at international level. [215] A more detailed report is available. Back to Top Germany The German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) classifies virtual currencies/cryptocurrencies as accounting units and financial instruments. [216] Businesses and persons who arrange the acquisition of tokens, sell or purchase brands on a commercial basis or perform main brokerage services in brands through trading platforms, inter alia, are generally obliged to obtain permission from BaFin in advance. [217] In February 2018, Germany's BaFin published information on the regulatory assessment of the ICO and the chips, coins and cryptocurrencies on which they are based. [218] It stated that undertakings participating in ICO should assess on a case-by-case basis whether ICO is classified as financial instruments (transferable securities, units of collective investment undertakings or investments) or as transferable securities and therefore activate the need to comply with relevant financial legislation. Also in February 2018, the German Federal Ministry of Finance published guidance on the treatment of value added tax (VAT) on bitcoin and other virtual currencies. It established that transactions to exchange a traditional currency with bitcoin or other virtual currencies and vice versa constitute taxable provision of other services for remuneration, but fall under the exemption from VAT. He said bitcoin or other virtual currencies used simply as a means of payment are treated in the same way as traditional means of payment. Therefore, the use of bitcoin or other virtual currencies for no purpose other than the means of payment is not taxed. This guidance is in accordance with the judgment of the European Court of Justice (ECJ) Hedqvist from 22 October 2015. [219] Virtual gambling money, i.e. in-game currencies, especially in online games, is not excluded because it is not a means of payment within the meaning of VAT legislation. [220] The Ministry also referred to a number of follow-up questions concerning the taxation of mines, digital wallets and online trading platforms. [221] The German Bundesbank stated that bitcoin cannot be classified as a virtual currency. According to Dirk Schrade, the Bundesbank's payment expert, bitcoin is neither a virtual currency nor digital money, because it does not fulfill the formal functions of a currency, nor is it part of the national monetary system. The Bundesbank recommends that you use the term crypto token. [222] In an article published in the Frankfurter Allgemeine Zeitung (FAZ) newspaper, Carl-Ludwig Thiele, a member of the executive board of the German Bundesbank, warned investors in bitcoin and other cryptocurrencies to beware of their risk, fluctuations in value, costing and high energy extraction need, among other concerns. [223] However, it also pointed out that blockchain technology promises great potential for innovation and mentioned a joint project with the German stock exchange group (Deutsche Börse Gruppe) that monitors the application and performance of blockchain technology in the settlement of securities transactions between banks. Back to the Top of Greece The Bank of Greece has twice issued announcements adopting the views of European supervisors warning consumers about the dangers of virtual currencies. [225] Back to the Top of Hungary On 20 December 2016, the National Bank of Hungary warned[226] consumers the use of virtual currencies carries many risks, as they operate in a legally unregulated virtual system and there are no appropriate rules on liability, guarantee and compensation that would protect the interests of consumers in the event of abuse. [227] The Bank made similar statements in 2014[228] and 2015. [229] Back to Top Ireland Ireland does not seem to have laws regulating special cryptocurrencies. [230] The Central Bank of Ireland noted in March 2018 that in the case of initial coin offerings (ICO), if the token issued can be considered 'transferable security', which is determined on a case-by-case basis, then the applicable financial services legislation in Ireland will apply to it. [231] The Central Bank of Ireland also stated that when the characteristics of a given ICO correspond to those of the issuance of financial instruments, then the Financial Regulation applies, as of this moment, and issuers and others must, subject to legal sanction, ensure that they comply with the relevant rules. [232] Capital gains tax legislation applies to transactions involving cryptocurrencies.[233] and this tax is due if a person profits from the purchase and sale of such currencies. [234] The Central Bank of Ireland adopted a statement from the European Banking Authority, warning consumers of the risks of trading in virtual currencies[235] and the high risks of ICO. [236] The Irish Government continues to take a wait-and-see approach to regulating cryptocurrencies: To the extent that virtual currencies, ICO, or those involved in issuing or trading them, are not subject to the existing regulation, then the question arises: has the regulation fallen behind developments and information needs. Or are these activities just new examples of old types of activity and there is no need for further regulatory intervention, beyond properly informing consumers about the significant risks through consumer warnings? Or is it just too early to tell? . . . At the Central Bank, we are actively working with other European and international policy makers as we all try to find a way forward, including, for example, work in the ESA [European Supervisory Authorities]. Given the availability of virtual currencies and ICO, we at the Central Bank welcome these efforts by the ESAs. [237] Ireland has used the use of the cryptocurrency to help its tourism industry by adopting Irishcoin.[238] a currency aimed mainly at the tourist market that is acceptable in some locations throughout Ireland. [239] Back to Top Italy One a September 2016 decision issued by the Revenue Service (Aenzia delle Entrate)[240] examined aspects of the tax treatment of bitcoin and other cyber-leaders. This resolution applied the judgment of the European Court of Justice (ECJ) in the case of Skatteverket v David Hedqvist[241], which held that value added tax (VAT) does not apply to transactions in which cyber-attacks exist for traditional currencies or vice versa. [242] In addition, the 2016 Resolution states that, for the purposes of corporation tax (Imposta sul Reddito sulle Società, IRES) and the Italian regional production tax (Imposta Regionale sulle Attività Produttive, IRAP), profits and losses from such transactions constitute corporate income or losses subject to taxation. [243] The resolution contains specific requirements for the registration of cybercrimes, including names, amounts, dates and other transaction information. [244] Bitcoin operations performed by individuals who hold bitcoin for other commercial or corporate purposes do not generate taxable income, according to the Resolution. [245] Decree-Law No 136/66/EEC of the European Parliament and of the Council of 22 December 2 [246] To this end, Decree-Law No 136/66/EEC of the European Parliament and of the Council of 22 December 2002 on the protection of the [247] Consequently, the Ministry of Finance of the Ministry of Economy and Finance published a public communication requesting comments before 17 February 2018 on the proposed text of the Ministerial Decision. [248] It is expected that the ministerial decision will be adopted in the coming months. Back to Top Latvia The position of the Bank of Latvia and the State Revenue Service is that the cryptocurrency is a conventional, not legal, means of payment that can be used in exchange transactions. The cryptocurrency cannot be considered official currency or legal tender because the issuance and use of these instruments remains unregulated and is not linked to any national currency. [249] In November 2017, Latvia amended its anti-money laundering legislation and introduced monitoring requirements for virtual currency service providers, including virtual currency exchange service providers. The virtual currency is now defined as the digital representation of a value that can be transmitted, stored or traded digitally and acts as a means of exchange without being legal tender. [250] Back to the top of Lithuania On 11 October 2017, the Bank of Lithuania stated that financial services should be clearly separated from activities related to virtual currencies and that financial market participants should not provide services linked to virtual currencies. In particular, they should not sell virtual currencies, provide conditions for customers to pay on payment instruments issued by them (debit or credit cards) or exchange or perform any other transactions in virtual currencies. [251] As regards initial coin offerings (ICO), the Bank clarified that, depending on the nature of the offer, legal acts regulating crowdfunding, collective investment, the provision of investment services, etc. should be applied. [252] 6 March 2018, the Bank of Lithuania announced that it was plans to issue the world's first digital collectible coin using blockchain or other equivalent technologies. [253] Back to the top of Luxembourg Cryptocurrencies remain largely unregulated in Luxembourg, although the Duchy government seems to be showing a more welcoming attitude towards the phenomenon than some of its European counterparts. On 14 March 2018, the Financial Sector Monitoring Committee (Secteur Financiers Supervisory Committee, CSSF) in Luxembourg issued a statement warning of the risks of investing in cryptocurrencies. [254] CSSF's main objections are that cryptocurrencies are very volatile, offer no protection against theft and piracy, lack of liquidity, are often the subject of misleading information, lack of transparency and are often used for fraud and money laundering. [255] The statement also warned against the risks of initial coin offerings. [256] The CSSF, however, recognised the value of blockchain technology, noting that it could be used beneficially by the financial sector. [257] In addition, the CSSF letter stated that while there is no legal framework specifically applicable to cryptocurrencies, the provision of any financial services — including those relating to cryptocurrencies — requires authorisation from the Minister of Finance. [258] Despite this warning from its main financial services regulator, Luxembourg appears to see the growth of cryptocurrencies in a positive light. In June 2017, Luxembourg's finance minister, Pierre Gramegna, acknowledged before Parliament that cryptocurrencies are real currencies, as they are accepted as a means of paying for goods and services by a fairly large circle of people. [259] It also stated that there was currently no 'monetary' regulation on cryptocurrencies, but that cryptocurrency traders in Luxembourg are bound by the same rules as any other financial service providers in the fight against money laundering and terrorist financing. [260] More recently, Gramegna publicly welcomed the establishment of BitFlyer, an important bitcoin trading platform, as a fully licensed payment service provider in Luxembourg. [261] In an interview shortly afterwards, Gramegna said that cryptocurrencies and blockchain technology were both an inevitable phenomenon that brings added value and efficient services to consumers. [262] Much work needs to be done to provide a legislative and regulatory framework for cryptocurrencies, however, since such a framework is largely non-existent at the moment. During the reception ceremony for bitflyer, the company's founder noted that it had taken them two years to obtain their license and that the regulation is unclear. There is no specific law and it must nevertheless protect the consumer. [263] Back to Top Malta Malta currently has no legislation specifically applicable to the cryptocurrency, but that will change soon. The Maltese Government has actively encouraged the development of cryptocurrency and issuing many consultations and documents discussing its regulation and development. The aim of these regulations is to provide the necessary legal certainty to enable this industry to flourish. [264] In October 2017, the government issued a consultation document proposing a regulatory framework for collective investment systems and investment in cryptocurrencies. As a result of the consultation, the Malta Financial Services Authority (MFSA) published terms applicable to professional investment funds investing in cryptocurrencies on 22 and 29 January 2018. [265] In November 2017, the government published the discussion paper on initial currency offerings, virtual currencies and related service providers, which noted that while some cryptocurrencies may fall within the scope of existing financial services legislation, others will be outside the scope and therefore unregulated. [266] In January 2018, the government issued a further discussion paper which presents a conceptual framework through which DLT platforms can be certified in Malta. [267] The government has issued a statement that it intends to facilitate a regulatory framework for cryptocurrency-related activities and initial currency offerings (ICO). [268] Malta is currently considering three bills that would provide a regulatory framework for cryptocurrency and is taking a principled approach to this legislation to help prevent rapid outdated legislation, or from suppressing technological development. [269] The three bills are as follows: The Digital Innovation Authority of Malta (MDIA Bill) will set up the Malta Digital Innovation Authority (MDIA), which will 'focus on innovative technological regulations and their uses so that Malta can benefit from most of the new technological regulations, while protecting the public interest'. [270] One of the first objectives for the MDIA would be to promote government policies that promote technical innovation, in particular by referring to universal digital technology and its approval by the government in public administration systems. [271] Other objectives will include maintaining Malta's reputation and protecting consumers. [272] MDIA will also be responsible for certifying technological regulations and registering technology service providers under the TAS Act. [273] - The TAS Bill will establish a regime for the registration of technology service providers and provide for the certification of certain technological regulations. This scheme will initially cover universal distributed technology platforms and related contracts. [274] The would require MDIA certification from technology service providers providing services for any distributed ledger technology platform to or from Malta. Those who provide these services in other specific cases can volunteer with the MDIA. [275] The Virtual Currency Bill will establish a framework for ICO [276] an ICO a regulatory regime applicable to certain cryptocurrency-related services, such as brokers, wallet providers and virtual currency exchanges. [276] The Times of Malta reported that the government is considering introducing its own cryptocurrency within a controlled framework that will allow regulators to test possible controls and legislation on the technology. [277] The Virtual Currency Bill aims to regulate ICO-related virtual currency that does not fall under applicable law. The bill will ensure that bids meet transparency requirements and incorporate obligations that apply to initial public offerings to be followed by the issuer. [278] The MFSA also proposed a financial instruments test that would allow individuals to determine, with regulatory certainty[,] . . . whether, on the basis of its specific characteristics, an ICO or a VC [virtual currency] falls within the scope of the existing legislative framework, which reflects EU law on the matter or, if not, whether this will be required to comply with the new regulatory framework proposed by the MFSA. [279] The proposed test will be a two-stage test, the first of which would determine whether a cryptocurrency is a financial instrument under current Maltese or European Union legislation. The second stage will determine whether the cryptocurrency was an asset under the proposed Virtual Currency Account. [280] The MFSA will be the financial services regulator contained in the Virtual Currency Bill, and will have regulatory and investigative powers that reflect those contained in the country's other financial services laws, including the power to suspend an ICO or negotiate a cryptocurrency. [281] The government has also established a national Blockchain strategy taskforce to advise the government on a framework for distributed ledger technologies. [282] After one of Malta's largest banks, the Bank of Valletta, blocked cryptocurrency transfers[283], the Maltese Government stated that it did not 'interfere with the operational policies of individual banks, which are dictated by the circumstances which they are most able to assess'. [284] Many Maltese residents expressed surprise at the Bank's actions, especially since the Maltese Government is its largest shareholder, with around 25% of the Bank's shares. [285] The Malta Gambling Authority also stated that it is committed to allowing the use of cryptocurrencies by its licensees in the near future[286] and is currently considering a new gambling bill that includes virtual currencies definition of money and, or the value of money. [287] Back to the Top Netherlands[288] The Central Bank of the Netherlands (De Nederlandsche Bank, DNB) stated that it is studying the opportunities offered by blockchain and virtual currencies, but acknowledged that there are certain risks and disadvantages involved. [289] In addition, in January 2018, it published a document and ICO in which he stressed that cryptocurrencies do not currently fulfill the role of money-in fact, are almost never used for payment, and are not a universally accepted and stable exchange instrument, an appropriate unit of account or a reliable value store. They therefore have no effect on monetary policy. [290] DNB supports the EU's decision to extend the scope of the fourth AMLD to include cryptocurrencies and cryptocurrency issuers. [291] It examines whether the conversion of cryptocurrencies into euro or other currencies, and vice versa, is classified as issuing electronic money or providing a payment service. It does not currently support a ban on cryptocurrencies. [292] As a pilot project, DNB launched the DNBCon experiment for internal testing purposes and focused on blockchain as a vehicle for a virtual currency. They have developed several prototypes to study how bitcoin software can be customized and used for financial market infrastructure. [293] The Dutch Financial Markets Authority (Autoriteit Financiële Markten, AFM) issued a warning about serious risks associated with ICO. [294] It advised consumers to avoid investing in ICO because they are vulnerable to counterfeiting, fraud and manipulation and can also be structured in such a way that they are not subject to AFM supervision. AFM assesses on a case-by-case basis whether the brands of an ICO are classified as a security or unit in a collective investment system, as defined in the Financial Supervision Act, and are therefore subject to approval by AFM. [295] The Dutch Minister of Finance, Wopke Hoekstra, said in a letter to parliament that the Netherlands does not want to ban the trade in cryptocurrencies, but that it should be regulated at European or international level. [296] Any regulation, however, must not jeopardise the possibilities of the technique. [297] It also supports the implementation of anti-money laundering legislation on wallet providers and virtual currency exchange platforms. [298] Back to the Top of Poland On 7 July 2017, the National Bank of Poland and the Financial Supervision Committee jointly issued a warning against investing in virtual currencies, citing price volatility and the risk of fraud. Regulators have clarified that virtual currencies are not considered legal tender in Poland. At the same time, they noted that transactions in virtual currencies do not constitute a violation of Polish or European law. Regulators consider that the purchase, possession and sale of virtual currencies by financial institutions is inconsistent with the principles of stable and prudent and that having relationships with virtual currency traders could constitute a legal and reputational risk. [299] On 24 January 2018, Prime Minister Morawiecki stated that Poland would either ban the cryptocurrency or introduce regulations to ensure that it does not turn into a pyramid scheme. [300] [300] 4 April 2018, the Ministry of Finance published guidance on the tax impact of transactions in cryptocurrencies. [301] Proceeds from transactions in cryptocurrencies are subject to income tax of two categories 18% and 32%, while the transaction of selling or buying digital currencies is considered a transfer of property rights, which is subject to a levy of 1% on the value of the transaction. [302] Back to the Top of Portugal According to the Federal Reserve (Banco de Portugal), virtual currency issuance and trading activity is not regulated or supervised by the Federal Reserve or any other financial system authority, national or European, in particular by the European Central Bank. [303] The absence of regulations on transactions with virtual currencies did not make these activities illegal or prohibited, the Bank noted. However, entities that issue and sell virtual currencies are not subject to any obligation to authorize or register with the Federal Reserve, so their activity is not subject to any kind of prudential or behavioural supervision. [304] Back to the Top of Romania On 6 February 2018, the National Bank of Romania announced that it is discouraging any participation of local credit institutions in the cryptocurrency sector due to reputational risks. [305] The Bank recalled its previous warning in March 2015[306] about the high risks of losing money invested in cryptocurrencies. Following this announcement, local banks closed the accounts of several cryptocurrency exchanges. [307] In March 2018, the National Tax Administration reportedly stated that revenue from cryptocurrency transactions is taxable. [308] Back to the Top of Slovakia On 23 March 2018, the Ministry of Finance published guidance explaining that revenue from cryptocurrencies should be taxed and that any kind of exchange, such as the exchange of a virtual currency with an asset or service provided or for another virtual currency, should be considered a taxable transfer. [309] The guidance states that virtual currencies should be treated as short-term financial assets other than money and invoiced at market value at the time of the transaction, and that cryptocurrencies received directly from mining should be kept off balance sheet until they are sold or traded. [310] Earlier the Finance Minister had noted that the cryptocurrency trade, which is unregulated and anonymous, carries the risks of terrorism and organised crime. [311] In 2013, the Slovak National Bank issued a warning to inform the general public that virtual are not national currencies and that unauthorised foreign exchange production constitutes a criminal offence. [312] Back to the top of Slovenia On 18 January 2018, the Bank of Slovenia warned citizens that virtual currencies are not a digital replacement of banknotes and coins and are not regulated. [313] The Bank explained that entities that purchase, deposit or slovenia are not systematically regulated and supervised. He advised citizens to be informed about virtual currencies before buying them and to know that they could lose their investments in these currencies. [314] Following the Bank's warning, commercial banks reportedly stopped selling cryptocurrencies through ATMs. [315] Earlier, on 9 October 2017, the Financial Stability Board recommended that virtual currency investors consider whether the risks are in line with their personal preferences and investment objectives[316] and that investors in ICO invest in amounts that would not leave them too exposed. [317] Back to the Top Spain The Spanish Comisión Nacional de Valores (National Securities Commission) and Banco de España (Bank of Spain) issued a joint statement on the use of bitcoin in February 2018[318] noting that the cryptocurrency is not issued, registered, approved or verified by any regulatory body in Spain. Therefore, cryptocurrencies purchased or maintained in Spain are not supported by any of the guarantees or safeguards provided by the regulations applicable to banking or investment products. [319] The statement was intended to warn investors of the inherent risk of loss or fraud associated with these types of transactions. [320] Despite this warning, the government is considering adopting cryptocurrency-friendly legislation, which would include possible tax breaks to attract companies to the blockchain technology sector. [321] Profits derived from cryptocurrency transactions are taxed under the Personal Income Tax Act. [322] However, the Directorate-General for Taxation of Dirección (Directorate-General for Taxation) found that transactions with bitcoins are exempt from value added tax. [323] Back to Top Sweden Sweden has no specific regulation dealing with cryptocurrencies. Several organisations have issued statements, reports and preliminary judgments on how they interpret cryptocurrencies and how these currencies relate to Swedish legislation. The Swedish Financial Supervisory Authority (Finansinspektionen) has decided that bitcoins are subject to its authority, as the bitcoins trade (that is, offering a location where bitcoins can be bought and sold similar to a stock exchange) is a financial service (annan finansiell verksamhet) and is therefore subject to mandatory reporting requirements. [324] In 2017, the Authority issued a report entitled The Role of the Authority in Innovation, which among other things described its role in relation to new concepts such as bitcoin. [325] The report described ICO as investment projects and securing funds. [326] The Authority also issued warnings against the use of ICO, noting that they are not regulated and are not subject to its revision. [327] It referred to the European Supervisory Authority for its interpretation that ICO can be regulated by the Prospectus Directive, the Markets in Financial Instruments Directive (MiFID), the Alternative Investment Fund (AIFM) and the Fourth Anti-Money Laundering Directive. [328] The Authority's 2017 report stated that it is not aware of any Swedish company providing funding through ICO. [329] In March 2018, the Swedish Central Bank announced that the octa is not money. [330] The Communication explained that cryptocurrencies are not considered currencies, referring to a new financial report on cryptocurrencies written by staff of the Central Bank of Sweden. [331] The Central Bank of Sweden is considering launching an electronic currency, but the project is still under review. [332] In 2015 the Swedish tax authority published a guideline on how to see and tax mined bitcoins for the fiscal year 2014. [333] Unless the specific conditions are met, the digital currency mined is considered hobby income and is generally exempt from tax. [334] The tax authority has not adopted a decision on the applicability of the Income Tax Act with regard to potential capital gains from bitcoins. The Swedish Skatterättsnämnden (Swedish Tax Council) issued a preliminary ruling in 2013 on value added tax (VAT) and bitcoins, stating that the bitcoins trade is not subject to Swedish VAT, but is subject to the regulations of the Financial Supervisory Authority and is treated as currency. The Swedish tax authority appealed against the decision. [335] The Swedish Administrative Supreme Court ruled that bitcoins and similar cryptocurrencies are not subject to VAT. [336] That judgment was adopted following a preliminary judgment of the Court of Justice of the European Union in which the Court of Justice of the European Union held that cryptocurrencies are exempt from VAT. [337] In 2014 representatives of the Swedish Enforcement Authority announced to the Swedish media that they would begin investigating and seizing bitcoin holdings when collecting funds from indebted individuals. [338] The first seized bitcoins were auctioned online in 2017. [339] In response to a question from a Member of Parliament, the Swedish Government has advised caution on the use of cryptocurrencies by citizens, as it is unregulated and carries the risk [340] On 23 July 2017, the Disciplinary Committee of the Nasdaq Stockholm took a decision ordering bitcoin company XBT Provider AB to pay a fine of SEK 1,000,000 (approximately US\$120,000) for failing to publish annual reports and making its prospectus available online. [341] Back to the top UK The UK has no laws regulating special cryptocurrencies such as bitcoin, ethereum, litecoin, etc. The Governor of the Bank of England reportedly stated that the regulation of cryptocurrencies is necessary: would be to regulate elements of the crypto-asset ecosystem to combat illegal activities, promote market integrity and protect the security and soundness of the financial system[.] [342] Section 2A of the Bank of England Act 1998 stipulates that the Bank of England is responsible both for protecting and strengthening the stability of the United Kingdom financial system. [343] According to the To this end, the Bank has examined the risk posed by cryptocurrencies to the stability of the UK financial markets and has found that the size of the cryptocurrency market is not currently large enough to pose a significant risk to monetary or financial stability in the United Kingdom. [344] Other concerns arising from the use of cryptocurrencies include ensuring consumer protection against the use of this type of payment, money laundering, taxation and the use of these systems to finance terrorism and other crimes. [345] As regards Her Majesty's taxation, revenues and customs, they note that [c]ryptocurrencies have a unique identity and cannot therefore be directly compared to any other form of investment activity or payment mechanism. [346] The taxable capacity of revenue received from cryptocurrencies depends on the activities and parties involved. [347] Value added tax (VAT) (approximately equivalent to US sales tax) is charged only by suppliers for any goods or services sold in the UK in exchange for cryptocurrency. [348] Company tax rules apply to businesses for gains or losses on foreign exchange exchanges, which include cryptocurrencies. HM Revenue and Customs said, [f]or the tax treatment of virtual currencies, the general rules apply to foreign exchange and loan relations. We have not identified at this stage any need to consider bespoke rules. [349] Any company that trades in cryptocurrencies is treated in the same way as regular transactions in accordance with applicable corporate tax rules, and any profits made are taxed accordingly. For non-incorporated enterprises, income tax is levied on profits and losses that can be attributed to cryptocurrency transactions. [350] The United Kingdom also taxes the profits of transactions in which a profit is made following a cryptocurrency transaction if an individual user buys and sells coins as an investor. [351] Such profits fall under capital gains tax, and this tax is due on any profit made involving a cryptocurrency. Back to Top II. Non-EU Albania On 13 July 2017, the Bank of Albania stated that the legal and regulatory framework then in place did not provide for cryptocurrency operations in Albania and users were exposed to certain risks. The Bank noted that due to the high degree of anonymity, transactions in this currency can be misused for criminal activities, money laundering, terrorist financing or the smuggling of goods. The Bank urged the Albanian public to be mature and responsible for managing its savings or liquidity, while national and international stakeholders are working intensively to adequately regulate and monitor cryptocurrencies. [352] Back to the Top of Armenia On 1 March 2018, the Government of Armenia published a document saying that the adoption of a proposed law on cryptocurrencies is not appropriate, since the majority of leading countries urge people to refrain from business cryptocurrencies. [353] The document was drafted in response to a draft law on the development of digital technologies introduced by an opposition political party providing for the liberalisation of mining activities and their exemption from taxes by the end of 2023. [354] Back to azerbaijan's top On February 12, 2018, the chairman of the board of directors of the Central Bank of Azerbaijan, Elman Rustamov, said the cryptocurrency is a very volatile instrument and urged the population to be more careful in dealing with cryptocurrencies. [355] Earlier in January it was reported that a working group was set up to develop a draft law regulating the cryptocurrency trade. [356] Back to the top belarus In Belarus the Presidential Decree on the Development of the Digital Economy[357] entered into force on 28 March 2018. It allows the purchase, sale, exchange and extraction of cryptocurrencies. Most of the tax and monetary regulations in the decree extend only to legal entities operating in the territory of the High Technologies Park, a special economic zone. However, individuals are allowed to participate in mining activities; acquire tokens; and exchange, sell, donate, bequeath and otherwise make available the cryptocurrency. Proceeds from mining and cryptocurrency activities are exempt from taxation until 2023. The decree also provides for the possibility of setting up ICO operators in the high-tech park. The Park will also host cryptocurrency exchange and mining operators. The Decree has not laid down rules on the operation of ICO operators and the exchange of cryptocurrencies; these areas will be left to self-regulation. The exchange of cryptocurrencies with fiat money must be approved by the National Bank. Cryptocurrency exchange operators will be treated as high-risk customers similar to lottery and casino game operators. [358] Companies operating in the park are exempt from taxes and only have to pay 1% of their turnover to the government. This arrangement is guaranteed by the government to last until 2049. The minimum capital requirements are 1 million Belarusian rubles (approximately, US\$505,000) for the operator of an encryption platform and 200,000 rubles (approximately US\$101,000) for the operator of a cryptocurrency exchange office. [359] A more detailed report is available. Back to the Top Bosnia and Herzegovina On 9 January 2018, the Central Bank of Bosnia and Herzegovina announced that the convertible mark (the currency of Bosnia and Herzegovina) is the only legal means of payment in the country and cannot be bitcoins and other cryptocurrencies with a convertible signal. At the same time, the Bank stated that there were no plans to restrict or prevent the purchase and trading in virtual currencies. [360] Back to Top Georgia On December 20, 2017, the National Bank of Georgia confirmed that the cryptocurrency is not legal tender in Georgia and is not regulated by Georgian law. [361] The Bank urged Georgian citizens to be careful Back to the top of Gibraltar The Government of Gibraltar recently introduced regulations governing the provision of distributed ledger technology (DLT)[363] and is currently in the process of introducing draft legislation regulating initial coin offerings (ICO). It is also considering a further regulatory framework dealing with the sale and promotion of tokens to complement DLT regulations. [364] On 12 October 2017, the Government of Gibraltar introduced the Financial Services Regulations (Distributed Accounting Technology Providers) 2017[365] under the Financial Services Act (Investment and Fiduciary Services). [366] These Regulations entered into force on 1 January 2018. [367] The regulatory framework covers undertakings operating in or from Gibraltar providing DLT services, defined in the Financial Services Act (investment and fiduciary services) as [c]arrying through business, in Gibraltar or Gibraltar, the use of distributed ledger technology for the storage or transmission of value owned by others. [368] The Regulations require these undertakings to apply for authorisation from the Gibraltar Financial Services Commission to become DLT providers. [369] DLT licence holders are also required to pay an annual fee, which is charged with a lump sum of £10,000 (approximately US\$14,000), although an additional fee of up to £20,000 (approximately US\$28,000) can be charged depending on the complexity of the DLT provider's arrangement. [370] Companies currently authorised under applicable law in Gibraltar and using DLT to improve their controls, procedures and procedures will not need to obtain a separate licence under the DLT framework unless the activities do not currently fall within the scope of the licence they hold . . . However, if they are licensed as a bank but intend to provide wallets and/or virtual currency services, they should be licensed under the DLT scheme. [371] DLT providers must comply with Gibraltar's anti-money laundering and counter-terrorism requirements, as well as with the requirements of any jurisdiction in which they also operate. [372] According to regulations the provision of DLT services without permission is an offence, punishable by a fine of up to £10,000 (approximately US\$14,000). [373] The Government of Gibraltar claims that the Gibraltar Financial Services Committee is the first regulatory authority to introduce a framework regulating distributed book technology (DLT). [374] Objective of the adoption of legislation the protection of consumers and Gibraltar's reputation as a well-regulated and secure environment for businesses using DLT that allow Gibraltar to prosper from the use and development of new financial technologies. The Government of Gibraltar has expressed concern about the use of distinctive digital assets (tokens) and cryptocurrencies provided by companies to raise capital and circumvent the traditional, regulated, fundraising process required by financial institutions or business activities It is currently working on developing legislation to regulate the use of tokens, essentially those created and negotiated with [DLT][376] that will be in line with DLT regulations.[377] and expects a bill to be before Parliament by the second quarter of 2018. [378] A more detailed report is available. Back to the Top Guernsey Guernsey is a UK crown dependency and is a low-tax jurisdiction with a large financial sector. In 2014, the Guernsey Financial Services Committee, which is responsible for the supervision and regulation of franchisees from the banking, fiduciary, insurance and investment sectors[379], issued a statement that the Commission was adopting a cautious approach to virtual currencies and may refuse to apply for the registration of financial services undertakings in the case of a virtual currency. [380] In particular, the Commission has a policy of encouraging innovation. Virtual currencies are an area of innovation that the Commission continues to monitor closely, while recognising that there are currently significant risks associated with them. In the light of these risks, the Commission will take a cautious approach and may well refuse applications to register financial services activities when it comes to the use of a virtual currency. However, this approach will be regularly reviewed in the light of international developments. [381] In 2015, a report commissioned by the Guernsey government noted that the main drawback for cryptocurrencies was the difficulty of complying with international anti-money laundering standards. [382] Three years after the

first statement was issued, on 27 February 2018, gurnemsey's Financial Services Committee issued a further statement that it believes there are significant risks to the use of virtual or cryptocurrencies specifically for retail customers. However, we understand that high-risk professional investors may wish to invest in this growing sector. [383] The Financial Services Committee has stated that it will evaluate any application regarding its individual advantages in relation to the criteria used for asset types or structures, as cryptocurrencies could interact with [countries] regulatory laws[384] in a number of ways. [385] Applicants must demonstrate how to comply with laws and rules to combat economic crime and terrorist financing, in particular as regards the identification of both investors and beneficial owners. [386] The Commission stated that it would continue to be cautious approval of applications for initial offers of coins that could later be traded on the secondary market due to the risk of fraud and money laundering, as well as applications for all types of digital currency exchanges. Back to the Top of Iceland The legality of cryptocurrencies in Iceland is unclear. In 2014, the Central Bank of Iceland, pending the launch of the Icelandic cryptocurrency Auroracoin peer-to-peer,[387] announced that bitcoin was not recognised and even if they were, bitcoins purchases would still be illegal, as such purchases would have violated the restrictions of foreign transactions then in place. [388] Subsequently, the Icelandic Foreign Exchange Act clarified that the Icelandic currency could not leave the country. [389] Buying a cryptocurrency based abroad would be a violation of the law, as the cryptocurrency would have been purchased from abroad. [390] However, since then, Iceland has relaxed its rules on exchange rate and asset control and now allows cross-border transactions of Icelandic courour. [391] However, according to the Central Bank of Iceland, restrictions on so-called offshore króna assets and specific reserve requirements for specific investments in relation to new foreign currency inflows will remain in force. [392] For example, there is still a requirement to notify the Icelandic central bank of international krónur and derivatives markets, and the rules also require a special reserve when there is an inflow of foreign currency into Iceland. [393] Restrictions on derivative transactions (i) for purposes other than hedging will also remain in force; (ii) foreign exchange transactions between residents and non-residents without the mediation of a financial undertaking; and (iii) in some cases loans to foreigners from residents to non-residents. [394] It is likely that trade and investment in cryptocurrencies would be restricted by these regulations. However, because cross-border transactions with Icelandic krónur are allowed, bitcoins would not be restricted only for this reason. [395] The Central Bank of Iceland has not commented on whether cryptocurrency transactions are transactions between residents and non-residents without the mediation of a financial undertaking. [396] The Icelandic tax authority has issued guidelines for the submission of income taxes for the fiscal year 2017, requiring the inclusion of bitcoins in section 4.4. Aðrar eignir áður ótáðar (Other assets). [397] The value of cryptocurrency holdings is based on the exchange rate in force at 31 December of the tax year. Members of Parliament are reportedly considering legislation to tax companies that mine cryptocurrencies in Iceland, based on the use of natural resources (electricity). [399] Back to the Top Isle of Man The Isle of Man is a low tax jurisdiction with a strong online gambling industry and growing financial sector. Referred to in some reports as Bitcoin Island, many facilities around the island already accept bitcoins as parallel to its national currency. [400] The Isle of Man was one of the first adopters of legislation regulating cryptocurrencies within its jurisdiction. The Crime Products Act 2008 was amended in 2015 to include virtual currency companies in its regulated sector as a designated enterprise,[401] specifically those are in the undertaking of issuing, transmitting, transferring, providing safe storage or storage, management, management, lending, purchase, sale, exchange or otherwise trading or interconnecting convertible virtual currencies, including cryptocurrencies or similar concepts, where the concept is accepted by persons as a means of payment for goods. [402] This amendment brought companies engaged in these activities, including those wishing to offer initial coin offerings (ICO) [403] within the scope of its anti-money laundering laws.[404] requiring the use of your client's knowledge practices, such as collecting identification information, knowing the beneficial owner of any currency, and record-keeping and reporting requirements for certain transactions. [405] These companies are supervised by the Isle of Man Financial Services Authority to ensure compliance with these laws. [406] The Isle of Man distinguishes between four different types of online currencies: The digital currency refers to any electronic representation of a fiat currency and this may include virtual currency representations. The virtual currency is a narrower asset and is a digital representation of value that can be digitally traded. The nature of a virtual currency means that it does not need to be centrally controlled or administered. The virtual currency can be convertible or non-convertible. The convertible virtual currency, which includes a cryptocurrency, can be converted into a fiat currency, either directly or through an exchange. For a currency to be convertible, there is no need to set an interest rate or an established benchmark, but that there is simply a market and property rights can be transferred from one person to another, whether for a fee or not. The non-convertible virtual currency, after purchase, cannot be transferred to another person and cannot be redeemed for the fiat currency, either directly or through an exchange. (Note that the definition in Annex 4 to the POCA [Crime Products Act] does not extend to non-convertible foreign exchange operations). [407] The Business Act 2015 (registration and supervision) provides that virtual currency businesses are designated businesses, requiring such businesses to be registered and supervised by the Isle of Man Financial Services Authority. [409] Virtual currency undertakings are defined by law as those active in the business of issuing, transmitting, transferring, providing safe storage or storage, management, management, lending, purchase, sale, exchange or otherwise trading convertible virtual currencies; cryptocurrencies or similar concepts where the concept is accepted by persons as a means of payment for goods or services, an accounting unit, a value store or a commodity.[1] [410] Companies registered under this Law are required to submit annual declarations showing compliance with anti-money laundering laws. The register of companies participating in cryptocurrencies and the island has been created using blockchain technology to store data, making the Isle of Man the first government to use this type of technology to store official data, according to Bloomberg. [411] For the ICO, the FSA stated that it will not register an applicant if the ICO provides brands that offer no benefit to the buyer other than the token itself, because the characteristics generally considered by the FSA to pose an unacceptably high risk that the money raised by the ICO will be used for unforeseen and illegal purposes, as well as to endanger consumers. Because of these risks, the FSA's policy is to refuse to register such businesses. [412] The Isle of Man recently amended its online gambling laws to allow operators to accept virtual currencies. [413] Back in top Jersey is a CROWN dependency of the United Kingdom and is a low tax jurisdiction with a large financial sector. The jurisdiction issued a consultation on cryptocurrency regulation in 2015, noting that creating a business-friendly framework that encourages innovation, employment and growth in both financial services and the digital sector is a priority for the Jersey government. [414] The majority response to the consultation was that cryptocurrencies should only be regulated to the extent that compliance with anti-money laundering and counter-terrorism laws is ensured. [415] The government or Jersey rejected a complete preventive and business regime for cryptocurrencies, as it considered that it was too early to issue such regulations since cryptocurrencies are in the early stages of development and that this could be too onerous and limit growth and innovation. [416] The result of the consultation was the publication of a document by the chief minister explaining Jersey's policy position on the regulation of virtual currencies. According to the document, [ultimately, the goal of this policy is to further strengthen Jersey's proposal as Fintech's global leadership jurisdiction. . . .] [and] outline Jersey's commitment to creating an environment that encourages trust and innovation in the digital sector, while protecting the island from the most prominent risks of money laundering and terrorist financing presented by virtual currencies in their current form. [417] Jersey anti-money laundering laws and anti-money laundering laws counter-terrorism were extended to cover cryptocurrencies through measures that came into force on 26 September 2016. [418] Virtual currencies are defined in the Crime Products Act as a currency and not as a commodity, thus allowing it to fall within the applicable regulatory framework and be regulated by the Jersey Financial Services Commission. [419] In particular, the law defines the virtual currency as (4) . . . any currency which (while not issued by any jurisdiction or legal tender in any jurisdiction) – (a) (a) represents the value, (b) it is a unit of account; (c) act as a means of exchange; and (d) can be exchanged digitally for money in any form. [420] The term virtual currency exchange is defined in law as the exchange of virtual currency with money in any form, or vice versa, by specifying that the reference to the provision of a service to third parties does not include the provision of that service by a company to a related company. [421] Virtual currencies were also presented in the scope of the 2008 Money Laundering Order (Jersey), which requires individuals operating a money services business to register with the Jersey Financial Services Commission and comply with the anti-money laundering and counterterrorism funding laws of the jurisdiction if they have an annual turnover of more than £150,000 (approximately US\$210,000). [423] Subject to certain exceptions, these laws require such undertakings to adopt policies and procedures to prevent and detect money laundering and terrorist financing and to appoint a money laundering compliance officer and reporting officer, as well as to ensure the implementation of record-keeping and customer due diligence measures. [424], such as your know-how measures for extraordinary transactions of more than 1,000 euros (approximately US\$1,220). [425] Companies that trade goods and receive payments of €15,000 (approximately US\$18,500) or more per cryptocurrency transaction are classified as high value traders under the Crime Products Act 1999. [426] Such traders must be registered and supervised by the Jersey Financial Services Commission and comply with Jersey's laws on money laundering and counter-financing of terrorism. [427] At the time of the consultation, the government considered regulating distributed universal and blockchain technology, but considered that this area was evolving too quickly to regulate effectively. [428] It chose to actively monitor these areas for the development and consideration of regulation in the future. [429] A more detailed report is available. Back to the Top of Kosovo The Central Bank of Kosovo has issued several warnings about the use of cryptocurrencies. The latter, published on 31 January 2018, reminded individuals that virtual money is not recognised as legal tender and that financial losses can result from investing in cryptocurrencies. The Bank also noted the unreliability of virtual platforms for cryptocurrency transactions and their sensitivity to cyberthreat. The Bank indicated that it was considering adjusting the internationally to limit the anonymous use of cryptocurrencies and to lay down rules to combat money laundering and terrorist financing through such currencies. [430] On 27 February 2018, the Bank announced the establishment of a permanent advisory group to assess and address regulatory challenges related to virtual money. [431] Back to the Top Liechtenstein has included virtual currencies in the latest amendment to the Due Diligence Act. [432] curator. [432] The due diligence obligations codified in the law serve to combat money laundering, organised crime and terrorist financing and apply to foreign exchange service providers, among others. A bureau de change means any natural or legal person whose activities consist in the exchange of legal money at the official exchange rate or virtual currencies against legal tender and vice versa. [433] Virtual currencies are defined as digital currency units, which can be exchanged for legal tender, used for the purchase of goods or services or for the preservation of value and, therefore, to assume the function of legal tender. [434] The Liechtenstein Financial Markets Authority (Sanzmarktaufsicht, FMA) issued a prospectus for virtual currencies such as bitcoin. [435] It stated that virtual currencies are generally defined as a digital representation of a (cash equivalent) value that is not issued by a central bank or public authority and does not constitute a fiat currency (legal tender). However, it is noted that virtual currencies are similar to fiat currencies when used as a means of payment or traded on a stock exchange. The production and use of virtual currencies as a means of payment are not currently subject to any licensing requirement governed by specialised legislation. However, the FMA says that, depending on the specific design of the business model, licensing requirements may apply. Business models shall be assessed on a case-by-case basis. [436] In particular, due diligence requirements may apply in accordance with the Due Diligence Act. The FMA also issued a prospectus for ICO. [437] Depending on the specific design and operation of the tokens, brands may be financial instruments if they have characteristics of equity securities or other investments. Activities related to financial instruments are subject to authorisation by the FMA. [438] The FMA assesses ICO on a case-by-case basis. [439] Back to the Top of Macedonia On 28 September 2016, the National Bank of Macedonia issued a warning against cryptocurrencies. [440] The Bank reminded Macedonians that they are not allowed to have bank accounts or securities abroad, with certain exceptions, and therefore investments by residents in cryptocurrencies are also not allowed. The Bank also highlighted the possibility of losing money from cryptocurrency investments due to devaluation, theft, poor functioning of cryptocurrency exchanges and possible links to criminal activities. [441] Return to Moldova's Summit On 15 February 2018, the National Bank of Moldova issued a statement[442] recommending that Moldovans be as more cautious when deciding whether to invest in crypto-assets, given the technical characteristics of the cryptocurrency, the high volatility and the absence of any regulation that would protect investors. [443] In Transdniestria, a separatist territory of Moldova, a law was passed on 31 January 2018 on the legalisation of mining activities. [444] Provides for the creation of economic zones for mining purposes. The authorities of the self-proclaimed republic promise tax relief, duty-free import and export of mining equipment and assistance in energy supply. [445] Back to Top Montenegro In November 2014, the Central Bank of Montenegro reportedly issued a warning stating that individuals may hold bitcoins at their own risk, although virtual currencies are not legal tender in Montenegro. [446] Back to the Top of Norway The Norwegian Financial Supervisory Authority issued warnings against cryptocurrencies in both 2013 and 2018. [447] It has also warned against initial coin offerings (ICO). [448] Both warnings arose as a result of warnings from the European Supervisory Authority, ESMA. [449] The Central Bank of Norway has not recognised cryptocurrencies, but also does not prohibit its staff from owning or investing in them in accordance with ethical guidelines since 23 November 2012. [450] The Norwegian tax authority has issued a declaration of principle that bitcoins will be treated as capital assets, at least for tax purposes. [451] Capital ownership legislation allows deductions for tax losses and profits. [452] Although travel currencies are exempt from capital gains tax, bitcoins are not like bitcoin and other virtual currencies are not recognised as travel currencies. [453] All norwegian residents are required to report taxable income (including capital gains, such as those from cryptocurrencies) in accordance with the Norwegian Income Tax Act. [454] This income derived from cryptocurrencies should be deposited as another income. [455] Sales of cryptocurrencies are exempt from Norwegian value added tax (VAT). In a 2013 statement, the Norwegian Tax Authority found that the sale of bitcoins by a commercial agent is subject to 25% VAT, as trading bitcoins on an internet-based website is an online service subject to VAT and not a tax-exempt financial service. [456] However, in 2015 the Court of Justice of the European Union ruled that cryptocurrencies are exempt from VAT. [457] This caused Norway to begin a process where by which the Finance Ministry was going to determine how bitcoins (and other cryptocurrencies) should be treated in relation to VAT. [458] The final directives were adopted in 2017, which found that the sale of cryptocurrencies is exempt from VAT. [459] Back to Top Russia A draft law on digital financial assets was published by the Ministry of Finance on 20 January 2018 and introduced to the State House on 20 March 2018. The bill sets out the activities aimed at creating cryptocurrencies for the purpose of obtaining compensation in the form of cryptocurrencies. Mining is treated as a tax-subject business if the miner exceeds the energy consumption limits set by the government for three consecutive months. [460] With regard to initial coin offerings (ICO), only qualified investors are allowed to participate in them, except in cases specified by the Central Bank, according to news releases. [461] [461] and coins are classified in the bill as property and are not considered legal tender. The bill does not allow the exchange of cryptocurrencies with rubles or foreign currency. The exchange of chips for rubles and foreign currency is permitted, but only through licensed operators. [462] The bill also provides a definition of a 'smart contract'. [463] The Ministry of Telecommunications and Mass Communications presented its own concept of the draft law on digital financial assets. It recommends introducing the term industrial mining, registering miners with the tax office, and setting requirements for energy consumption. It also recommends exempting miners from taxation for a period of two years to stimulate their activities. Earlier the Ministry had offered to create a special exchange platform for miners to ensure the transparency of cryptocurrency exchange. [464] Separately, amendments to the Civil Code[465] were introduced in order to protect the rights of owners of cryptocurrency coins and chips. The document defines digital money and digital rights and provides for their judicial protection. The authors say these regulations will allow coins and tokens to be included in a bankruptcy estate or property of a deceased person. [466] It is expected that the legislative framework for the regulation of cryptocurrencies will enter into force by 1 July 2018, after which the rules on the taxation of cryptocurrency functions will be introduced. [467] Back to the Top of Serbia The National Bank of Serbia made two announcements, one on 2 October 2014,[468] and the other on 4 May 2016,[469] to clarify that anyone investing in bitcoins or participating in any other activity involving virtual currencies will do so at his own risk, bearing all financial risks and risks in terms of non-compliance with the regulations governing foreign exchange transactions , taxation, trade, etc. [470] The Bank explained that bitcoin is not legal tender in Serbia and cannot be sold and purchased by banks or authorised foreign exchange agents. The Bank said that a particular issue is the use of a virtual currency to acquire other goods and services, adding that the law requires prices to be expressed in Serbian dinars and that the expression of the prices of goods or services in virtual currency would be contrary to the provisions of the law. [471] The Bank stated that it would consider, in cooperation with other state authorities, whether there is a need to design a regulatory or other response in relation to cryptocurrencies. [472] Back to Top Switzerland The Swiss canton of Zug is trying to establish itself as a hub for cryptocurrencies and Fintech start-ups. November 2nd the Commercial Registry Office in canton of Zug began accepting bitcoin and ether as payment for administrative expenses. [473] In addition, the Commercial Register accepts cryptocurrencies as a contribution in kind for the purpose of setting up a company. [474] In the city of Zug, municipal services (resident registration) up on CHF200 (about US\$210) can be paid with bitcoin. [475] On 1 January 2018, the municipality of Chiasso, in the Swiss canton of Ticino, began accepting bitcoin as tax payments for amounts up to CHF250 (approximately US\$263). [476] On 16 February 2018, the Swiss Financial Markets Supervisory Authority (Eidgenössische Sanzmarktaufsicht, FINMA) published guidelines on the regulatory treatment of ICO.[477], which complement FINMA's previous guidelines from September 2017. [478] At present, there is no specific regulation on the ICO, nor is there any relevant case law or consistent legal theory. [479] FINMA stated that, due to the fact that each ICO is designed differently, it should be decided on a case-by-case basis whether and which financial regulations apply. In an ICO, investors receive blockchain-based coins or chips in exchange for the funds they transfer. Coupons are created and stored either on a blockchain created specifically for the ICO or on a pre-existing blockchain. [480] FINMA distinguishes between payment tokens (cryptocurrencies), utility tokens and asset tokens. Payment vouchers (cryptocurrencies) are defined as tokens used as a means of payment or as a means of transferring money or value. Utility tokens are those that provide digital access to an application or service through a blockchain-based infrastructure. Asset purchases represent assets such as a debt or equity requirement vis-a-vis the issuer. According to FINMA, asset coupons are depending on stocks, bonds and derivatives. [481] Financial market infrastructure operators are subject to approval by FINMA. [482] If chips received in an ICO qualify as securities, trading will require a license. Securities are defined as standard certified or uncertified securities, derivatives and intermediate securities that are suitable for bulk standard transactions,[483] which means that they are offered publicly for sale in the same structure and denomination or are placed on more than 20 clients, to the extent that they are not created specifically for individual counterparties. [484] FINMA does not treat payment tokens or utility tokens whose sole purpose is to grant digital access rights as securities. However, utility vouchers having an additional investment purpose or sole investment purpose at the time of issue, as well as asset tokens that are standardised and suitable for bulk standard transactions, shall be classified as securities. [485] Funds raised in an ICO are generally not considered deposits within the meaning of Law. However, if there are debt capital liabilities, for example a promise to return capital with a guaranteed return, then such an ICO would require the organiser to obtain a banking licence. [486] Where the assets received under the ICO are managed externally by third parties, the provisions of the Collective Investment Act shall apply. [487] Provisions to combat money laundering and its financing of the to meet a number of due diligence requirements, apply to the ICO of a payment token (cryptocurrency) as soon as the tokens can be technically transferred to a blockchain infrastructure. [488] In addition, the exchange of a cryptocurrency for fiat money or a different cryptocurrency, as well as the provision of services for the transfer of tokens, if the service provider retains the private key (guard wallet provider) also activate due diligence requirements in accordance with the Anti-Money Laundering Act. [489] In September 2017, FINMA closed the unauthorized providers of the counterfeit E-Coin cryptocurrency, liquidated the companies and issued a general warning about counterfeit cryptocurrencies to investors. [490] In addition, three other companies were placed on FINMA's warning list due to suspicious activity and eleven investigations were carried out into other potentially unauthorised business models related to these coins. [491] In Switzerland, the individual cantons, the Swiss States, are obliged to levy income tax and property tax on the total property (assets and rights with monetary value) of taxpayers residing in their canton. [492] Tax rates differ between the individual cantons. Cryptocurrencies are treated as foreign currencies for tax purposes and are subject to property tax. [493] Holders of bitcoin or other cryptocurrencies are taxed at the rate fixed by the tax authorities on 31 December of the financial year. For example, the tax rate for bitcoin set at December 31, 2017, by the Swiss Federal Tax Administration, was CHF13,784.38 (approximately US\$14,514). [494] This rate is a recommendation for the canton tax authorities. In January 2018, the Swiss State Secretariat for International Finance (Staatssekretariat für internationale Finanzfragen, SIF) said it would set up a working group on blockchain and ICO. [495] The working group will cooperate with the Federal Ministry of Justice and FINMA and will include interested companies. It will study the legal framework for the use of blockchain technology specifically related to the financial sector, with particular emphasis on ICO, and report to the Federal Council, the Swiss government, by the end of 2018. A more detailed report is available. Back on Top of Ukraine On November 30, 2017, Ukraine's financial regulators issued a joint statement on the status of cryptocurrencies in the country. According to the statement, cryptocurrencies cannot be classified as money, foreign currency, means of payment, electronic money, securities or money substitute. Regulators also stated that they continue to work to definition of the legal status of cryptocurrencies and the regulation of transactions concerning them. Regulators warned of the extremely high likelihood of losses in dealing with cryptocurrencies and said all investors in cryptocurrencies should realise that they are acting at their own risk and risk. [496] On 11 January 2018, the CyberSecurity Unit of the National Security and Defence Defence issued a statement saying that Ukraine can no longer allow the uncontrolled turnover of cryptocurrencies on its territory and that the Council plans to set up a working group to develop the regulatory framework, define the regulatory body and procedures for monitoring, detecting and taxing cryptocurrency transactions. [497] On 30 January 2018, the head of the Police's cybercrime department stated that the circulation of cryptocurrencies should be banned if its legal status is not regulated in the near future. [498] In March 2018 the government approved supplementing the classification of economic activities with a paragraph on cryptocurrency mining. [499] At the end of 2017, Ukrainian MPs introduced two alternative draft laws regulating cryptocurrencies, one of which would define them as goods and the other as financial assets. However, both plans were rejected by the country's financial regulators. [500] Back to the Top Middle East and North Africa Algeria The Algeria Economic Law of 2018 has banned the use of cryptocurrencies. It states: The purchase, sale, use and possession of the so-called virtual currency are prohibited. A virtual currency is one used by Internet users over the Internet. It is characterized by the absence of physical support, such as coins, bills, or payments by cheque or credit card. Any violation of this provision is punishable in accordance with applicable laws and regulations. [501] Back to the top Bahrain The governor of the Central Bank of Bahrain, Rasheed Al Maraj, has issued a warning against cryptocurrencies, especially bitcoin. During a parliamentary meeting held at the Shura Council, Al Maraj said bitcoin is not recognised by any financial institution. He also said that the use of bitcoin in Bahrain is illegal; However, the citizens of Bharani have the right to invest in cryptocurrencies outside Bahrain. [502] Back to The Top of Egypt The Central Bank of Egypt issued a warning in January 2018 against cryptocurrency transactions, such as bitcoin, due to the extremely high risk associated with such currencies. The Central Bank also argued that trade within the Arab Republic of Egypt is limited only to official printed currencies approved by the Bank. [503] Dar al-Ifta of Egypt, the main Islamic legislator in Egypt, issued a religious decree describing bitcoin trading as haram (prohibited by Islamic law). Dar al-Ifta has said cryptocurrencies could harm national security and central economic systems, and could also be used financing terrorist and terrorist activities. [504] Back to the top of Iran The Central Bank of Iran (CBI) officially announced on 22 April 2018 that it has banned the handling of cryptocurrencies by all Iranian financial institutions, including banks and credit institutions. The decision also prohibits the purchase and sale of virtual currencies by stock exchanges or measures to facilitate or promote them. [505] H the action was in line with Iran's recent efforts to address shortcomings in its anti-money laundering and counter-terrorism policies, with a view to complying with the Financial Action Plan of the Financial Action Group on Money Laundering (FATF). FATF, an intergovernmental organisation set up to combat international money laundering and terrorist financing, will determine at its June 2018 plenary session whether to remove Iran from the FATF's list of non-cooperative countries or territories. [506] Previously, the CBI had only tried to warn people about the potential risks inherent in cyberattacks,[507] although a directive passed by the Money and Credit Council, the CBI's most important policy-making body, [had] considered non-physical and fictitious transactions against the law, meaning that Iranian [currency exchanges could] not occur in cryptocurrencies. [508] The Bank's decision to ban the use of cryptocurrencies by financial institutions is a blow to those in Iran who saw virtual currencies as a means of addressing problems related to the banking industry and international sanctions, and who consider them to be 'currently shaping the future of banking' and, when regulated accurately and transparently , prevent people in the country from buying and selling them in secret and using them fraudulently. [509] Prior to the announcement of the ban, the CBI's Head of Informatics had stated that, together with the adoption of a framework to be respected for the use of cryptocurrencies, the Central Bank was considering adopting a national virtual currency, either produced by the Central Bank or by another entity. [510] One of the motivations for the development of such a currency was that it could potentially be used to replace the US dollar, an attractive prospect for Iran because US sanctions over Iran's nuclear program prevent Iran from using the US financial system. [511] A more detailed report is available. Back in Top Iraq The Iraqi Central Bank issued a statement banning the use of cryptocurrencies. He said currency traders trading in cryptocurrencies would be punished with sanctions under the country's anti-money laundering law. [512] Return to The Top of Israel Israel Supervision for Financial Services (Regulated Financial Services) Law 5776-2016 Requires Persons Engaged the provision of services relating to financial assets to obtain a license from the Financial Services Supervisor. [513] The definition of financial assets includes the virtual currency. [514] A permit will generally be issued to an Israeli citizen or resident who has reached the age of majority, is legally competent, and has not been declared bankrupt or, in the case of an enterprise, is not required to be dissolved. Additional licensing requirements include that the licensee has a minimum fixed amount of own funds and, if an individual has not been convicted of an offence which by its nature makes the licensee a licensee management of financial transactions. [515] A statement issued by the Bank of Israel and several regulatory agencies on 19 February 2014 warned the public not to trade in virtual currencies. The warning identified the risks associated with trading in virtual currencies, including fraud, money laundering and terrorist financing, among others. [516] In addition, the Bank of Israel said in a January 2018 statement that it would not recognize virtual currencies such as bitcoin as a real currency and . . . it was difficult to devise regulations to monitor the risks of such an activity for the country's banks and their customers, according to Reuters. [517] Although virtual currencies are not recognised as a real currency by the Bank of Israel, the Israeli tax authority suggested that the use of virtual currencies should be considered as a means of virtual payment and subject to taxation. [518] In particular, for the purposes of income tax and value added tax claims, the virtual currency is considered as an asset and is taxed in accordance with the relevant transaction classifications under the Income Tax Decree (new version), 1961, and the Value Added Tax Act, 5736-1975. [519] Consequently, [unlike a normal currency, the Israeli tax authority will consider the increase in the value of a cryptocurrency as a capital gain rather than a currency fluctuation, making it subject to capital gains tax. Individual investors will not be subject to value added tax, but anyone involved in cryptocurrency mining will be classified as a trader and subject to VAT, according to the circular. Anyone who trades as a business will be classified as a financial institution for tax purposes, which means they will not be able to recover VAT on expenses, but will be subject to an additional 17 per cent profit tax applicable to financial institutions. [520] The Israeli tax authority requires documentation of trade involving a virtual currency in order to verify their existence and scope. [521] A more detailed report is available. Back on top of Jordan In 2014, the Central Bank of Jordan (CBJ) warned the public against the use of bitcoin and sent a press release to the media that said: Recently, a global phenomenon of trading a virtual currency called bitcoin became active around the world. CBJ seeks to protect citizens and investors by warning them that virtual currencies are not legal tender and there is no obligation for any central bank in the world or any government to exchange its value for real money issued by them or supported by underlying international goods or gold. [522] Return to Kuwait's top Kuwait Ministry of Finance does not recognize cryptocurrencies for the purposes of official trade. Similarly, the Central Bank of Kuwait (CBK) prohibits the banking sector and companies under its control from trading cryptocurrencies. The prohibition includes acceptance of the use of cryptocurrencies in electronic payment transactions and mediation between the parties cryptocurrency transactions. [523] CBK asked the Ministry of Commerce and Industry to warn consumers about the risks of cryptocurrencies such as bitcoin. [524] In January 2018, CBK confirmed the news that it was creating an infrastructure for the financial and banking sector in the country, including the issuance of electronic currency, which distinguished itself from virtual currencies. The introduction of a local digital currency would fall under the umbrella of electronic payments, the statement said. The Central Bank stressed that the local digital currency would have the same characteristics as the banknote, such as the issue number. It will also be monitored by the Kuwaiti government. In addition, it could be exchanged for other currencies, as well as used to pay for goods and services. [525] Back to the top of Lebanon On 19 December 2013, the Banque du Liban (BDL), the Central Bank of Lebanon, issued a statement to the country's banks and financial institutions warning them of the dangers of using cyber-letters, especially bitcoin. Among other concerns, the communication said that platforms and networks used to issue and trade in such currencies are not subject to laws or regulations. [526] Riad Salameh, BDL Commander announced in October 2017 that the foundation intended to launch its own cyber-agency. He is quoted as saying: We understand that electronic currency will play a prominent role in the future. However, the BDL must first make the necessary arrangements before taking this step and develop [a] cyber crime protection system. Both the Special Investigation Committee and the Banking Audit Committee work together to prevent such electronic crimes. [527] Salamé explained that the new currency would be monitored by the BDL and subject to Lebanese law, but did not say how this would be done or provide a time frame. [528] Salameh also again voiced his opposition to the use of bitcoin, explaining that its use, which is not regulated, poses a threat to consumers and the payment system in Lebanon. [529] Back to top Morocco In a press release posted on its official website, the Moroccan Foreign Exchange Office informed the public that transactions carried out through virtual currencies constitute a violation of exchange regulations and are subject to sanctions and fines provided for in the applicable texts. [530] The Office invited the persons concerned to comply with the foreign exchange regulations, which provide that financial transactions with foreign entities must be carried out through authorised intermediaries and with foreign currencies listed by Al-Magrib Bank. The publication also warns of the risks associated with the use of a virtual not supported by a financial institution. Finally, the Communication states that the Foreign Exchange Office, in cooperation with the Bank of Al-Magrib and the Professional Group of Moroccan Banks, is following with interest the development of virtual currencies in Morocco. The liberation release have no date, but the media reports that it was issued in November 2017. [531] Back to Top Oman The Governing Council of the Central Bank of Oman issued a press release in December 2017 stating that there are no policies or guidelines for regulating digital currencies or cryptocurrencies. He also urged Citizens of Oman to be careful when dealing with cryptocurrencies, arguing that the Central Bank is not responsible for any economic consequences arising from cryptocurrency transactions. [532] Back to the top of Qatar In February 2018, the Supervision and Control of the Department of Financial Institutions at the Central Bank of Qatar issued a circular to all banks operating in Qatar warning against trading in bitcoin. The circular described bitcoin as illegal and is not supported by any central bank or government. He also said that the cryptocurrency trade carries high risks of price volatility and the risk of being used in economic crimes. Finally, the circular prohibited all banks operating in Qatar from trading in cryptocurrencies, subject to penalties for violators. [533] Back to the Top of Saudi Arabia The Saudi Monetary Service (SAMA) issued a warning against bitcoin because it is not monitored or supported by any legitimate economic authority. [534] In October 2017, SAMA announced that it would implement a pilot programme for the issuance of a local digital currency (Rial) that will only be used in transactions between banks. [535] Return to the Top United Arab Emirates In accordance with Article D.7.3 of the Stored Values Regulatory Framework and an Electronic Payment System, issued by the Central Bank of the United Arab Emirates in January 2017, all transactions in virtual currencies (including cryptocurrencies in Arabic) are prohibited. [536] In January 2018, the governor of the Central Bank of the United States, Mubarak Rashid Al Mansouri, reiterated a warning against trading in cryptocurrencies. According to news reports, when Al Mansouri was asked about his views on cryptocurrencies, he said citizens should avoid these types of currencies because they have not been approved by the Central Bank. Previously, in October 2017, Al-Mansouri issued a warning about cryptocurrencies, which said such currencies were vulnerable to use in money laundering or terrorist financing. He also added that cryptocurrencies such as bitcoin cannot be monitored by any legitimate economic authority. [537] Return to Top Sub-Saharan Africa Ghana In January 2018, the Bank of Ghana issued a brief notice to banks the general public, advising against the use of virtual or digital currencies, also known as 'cryptocurrencies', mainly because such currencies and entities facilitating their transactions are not penalised by the government. [538] The Communication stated that the Bank of Ghana wishes to inform the general public that these activities in digital currency are not currently authorised under the Payment System Act 2003 (Law 662). . . . Therefore, the public is strongly encouraged to only institutions authorised by the Bank of Ghana to ensure that such transactions fall within our regulatory competence. [539] Back to Top Kenya In December 2015, the Central Bank of Kenya issued a public announcement entitled Beware the public about virtual currencies such as bitcoin. [540] The Communication stated that virtual currencies are not legal tender and remain unregulated in Kenya, which means that there is no protection if the platform that exchanges or holds the virtual currency fails or leaves the business. [541] He described the risks associated with the use, retention and/or trading of virtual currencies as follows: Transactions in virtual currencies such as bitcoin are largely undetectable and anonymous, making them vulnerable to abuse by criminals in money laundering and terrorist financing. Virtual currencies are traded on foreign exchange platforms that tend to be unregulated around the world. Consumers can therefore lose their money without legal protection in the event of the collapse or closure of such transactions. There is no underlying or supporting assets and the value of virtual currencies is speculative in nature. This can lead to high volatility in the value of virtual currencies thus exposing users to potential losses. [542] The announcement ended with a warning to the public to stop trading in Bitcoin and similar products. [543] Back in Top Lesotho In November 2017, the Central Bank of Lesotho issued a press statement on the growing popularity of cryptocurrencies. [544] In this, the Bank warned the public of the risks associated with the use of cryptocurrencies, since the Bank does not supervise, supervise or regulate cryptocurrencies, their systems, promoters or intermediaries, and stated that activities related to the acquisition, trading or use of cryptocurrencies are solely and independently risk to the user. Citizens are therefore informed that, in the event of damage or similar possibilities, there will be no recourse to the Central Bank of Lesotho. [545] The Bank also warned the public of the risk of exposure to criminal charges that may arise from the use of cryptocurrencies, stating that it is important to stressed that cryptocurrencies expose participants to a breach: Combating money laundering and combating terrorism financing legislation; Tax legislation; and exchange control laws which are criminal offences. [546] The Bank issued a follow-up statement in February 2018, where in addition to providing information that reinforced the content of the noted that cryptocurrencies are neither legal tender in Lesotho nor considered foreign currency. [547] It also prohibited the operation of individuals and entities promoting investment in cryptocurrency, because anyone and all investment advisers must be licensed. [548] Return to Mozambique Summit On 8 January 2018, the Mozambique Federal Reserve Bank (Banco de Moçambique) issued a communication (Comunicado) on its role in supervisor of the financial system in the country informing citizens that a decentralized and convertible virtual currency called bitcoin is circulating on national territory. [549] The Bank has clarified that it does not regulate or supervise any activity or transaction carried out through bitcoins and is not responsible for any impact of bitcoin-related transactions, as this currency has no legal support and is not issued by the national monetary authority, the Bank. The communication also stated that companies trading bitcoins are not regulated, authorized or supervised by the Bank, whereas this virtual currency does not offer security, is vulnerable to fraud and other crimes committed using electronic means: Whereas its value is extremely volatile; and that it allows anonymous transactions to be carried out, favouring criminal activities. [550] Back to the Top of Namibia In September 2017, the Bank of Namibia issued a position paper entitled Position on Distributed Book Technologies and Virtual Currencies in Namibia[551] in which it noted that virtual currencies are not considered legal tender and are currently not regulated in the country. [552] The Bank described the risks associated with the use of virtual currencies, including credit risks, liquidity risks, operational risks and legal risks. [553] He warned that people who own or trade in virtual currencies do so at their own risk and should be careful. [554] The Bank also stated that, because the relevant laws of the country do not foresee their existence, virtual currency exchanges cannot be created or operated in Namibia. [555] Back to the top of South Africa At present, there are no specific laws or regulations governing the use or trading of virtual currencies (VC) in South Africa. [556] However, in December 2014 the Reserve Bank of South Africa (SARB), the central bank institution whose responsibilities include the formulation and implementation of monetary policy and the issuance of banknotes and coins in the country, issued a position paper on virtual currencies. [557] The position paper explicitly stated that only SARB can issue legal tender and that decentralised convertible virtual currencies (DCVS), including bitcoin and litecoin, are not legal tender in South Africa. [558] This means that any trader or beneficiary can refuse VC as a means of payment. [559] Sarb warned of a number of risks associated with the use of VC, including issues relating to payment systems and payment service providers, price stability, money laundering and financing terrorism, consumer risk, circumvention of exchange rate control regulations and financial stability. [560] For example, the position paper warns of the risks to consumers, mainly due to the unregulated nature of VC and wild price fluctuations, which could lead to serious economic losses. [561] This does not take into account other risks, such as losses arising as a result of a security breach, fraud and absence of absence mechanisms to cover losses, sarb noted. [562] As regards the above risks, the SARB stated that no legal protection or recourse is granted to users, traders or intermediaries of SPAs and that these activities are carried out at the sole and independent risk to end-users. [563] While the SARB position paper warned individuals against engaging in trading or possessing VC, he also noted that he doesn't see VC as a presumption of any systemic threat at the moment: The values (\$6.25 billion) and volumes (60,000 daily average) that are currently traded in Bitcoin (the top DCVC) remain insignificant compared to the official payment system and the larger economy. VC is not considered legal tender in most jurisdictions. A plethora of independent variants of VC exist and are being developed, all aimed at the same niche market. In view of the above, VC (in particular VC), at this stage of their development, is neither broad enough nor vague enough to qualify as systemic. [564] However, it stressed the need for continuous monitoring of DCVCs and said it reserves the right to change its position if the landscape justifies regulatory intervention. [565] On 6 April 2018, the South African Revenue Services (SARS) issued a clarification on the tax situation of VC's. SARS noted that it will continue to apply the normal income tax rules to cryptocurrencies and expect affected taxpayers to declare cryptocurrency profits as part of their taxable income. [566] Taxpayers must therefore declare all their cryptocurrency income and failure to do so could lead to interest and penalties. [567] SARS appears not to have determined whether profits derived from the trading cryptocurrency are subject to income tax or capital gains tax. [568] It states that: Although they are not cash, cryptocurrencies can be valued to verify an amount received or received, as provided for in the definition of gross income of the law. Under normal income tax rules, revenue received or generated from cryptocurrency transactions may be taxed in the gross income account. Alternatively, these profits may be considered as capital as defined in the eighth timetable of the CGT Tax Act. The determination of whether the increase or recovery is revenue or capital in its nature is checked on the basis of existing case-law (of which there is no shortage). [569] The amount of tax generated on a person may vary greatly depending on whether profits in VC are taxed as income or capital gains. [570] Back to the Top of Swaziland In August 2017 the Central Swaziland issued a press release on virtual currencies. [571] The Bank noted that the cryptocurrency does not enjoy legal tender status in Swaziland. [572] The Bank also noted that bitcoin, a form of cryptocurrency currently available and traded in Swaziland, is not currently regulated and this makes it dangerous to maintain or trade the currency: [D]ue in its nature as a cryptocurrency, there are no disclosures or regulatory compliance applicable to transactions executed using Bitcoin and yet, like any other currency, may be used for illegal purposes or to facilitate fraudulent activity. In fact, anonymity and speed of execution in cryptocurrency transactions makes it more vulnerable to abuse by unscrupulous individuals. This poses a risk to users of the currency because there is no protection or legal remedy available from any institution, including the Central Bank, in the event that the user suffers financial loss from the use of Bitcoin or any other cryptocurrency. [573] Back to Uganda Peak In February 2017, the Bank of Uganda (BoU) issued a warning against the use of cryptocurrencies in general and the services of an unauthorised entity called One Coin Digital Money, citing the absence of investor protection systems and related regulatory mechanisms. [574] The Bank warned that 'ONE COIN DIGITAL MONEY' is not authorised by Bou in accordance with the Financial Institutions Act 2004 and therefore conducts business outside the BoU's regulatory competence, and that the public is strongly encouraged to do business transactions with only licensed financial institutions. [575] The Bank also warned that anyone wishing to invest their hard earned savings in cryptocurrency forms such as a currency, Bitcoin, Ripple, Peercoin, Namecoin, Dogecoin, Litecoin, Bytecoin, Primecoin, Blackcoin or any other forms of digital currency takes a risk in the economic space where there is neither investor protection nor regulatory authority. [576] Back to Zambia Peak In February 2018, Zambia's Securities and Exchange Commission issued a notice on cryptocurrencies and other digital products. [577] The Commission urged all individuals or entities currently investing or intending to invest in cryptocurrencies and related products/assets to exercise restraint and caution, as they do so, as products/assets are largely unregulated and are

not subject to the Commission's jurisdiction. [578] Although it did not prohibit their operation, the Commission warned platforms facilitating cryptocurrency transactions "to ensure that they do not in any way repeat any part of the [securities] law and that those that meet the description of securities in accordance with the law are registered with the Commission". [579] Back to The Zimbabwe Summit In a December 2017 statement, the Reserve Bank of Zimbabwe noted that virtual currencies are not legal tender in Zimbabwe and remain unregulated. [580] It issued the following warning to the public about the risks presented by the use of cryptocurrencies: and the trading of cryptocurrencies or virtual currencies is not regulated by the laws of the country and presents risks such as money laundering, terrorist financing, tax evasion and fraud. In accordance with the applicable legal and regulatory exemption, any person investing in virtual currencies or participating in any transaction involving virtual currencies, currencies, at its own risk and will have no legal protection from any regulatory authority or will not have an appeal against any regulatory authority. [581] Back to the Top of Central Asia Kazakhstan On March 30, 2018, the head of the National Bank of Kazakhstan, Daniyar Akishev, stated that the National Bank had a very conservative position on the issue of cryptocurrencies and welcomed only strict restrictions due to multiple issues related to consumer protection, money laundering and tax avoidance. He added that legislative amendments have already been prepared to ban the purchase and sale of cryptocurrencies for the national currency, to ban exchange activity and to ban all types of mining. [582] No information was found showing that the proposed amendments had been adopted. Back to the top of Uzbekistan On 19 February 2018, President Shavkat Mirziyoyev signed a decree[583] instructing the Central Bank of Uzbekistan and several other organisations to develop a legislative framework for the use of digital money on the territory of Uzbekistan by 1 September 2018. [584] In September 2017, the Central Bank expressed the view that it was not appropriate to allow cryptocurrency activities due to the possibility of financing terrorism and other criminal activities. [585] Back to the Kyrgyz peak On 17 January 2018, the head of the Kyrgyz National Bank, Toklunbek Abdugulov, said that the Bank has no plans to hinder the growth of the cryptocurrency market in Kyrgyzstan. He noted that it is very difficult to ban something that the Central Bank does not issue and that Kyrgyz citizens who invest in cryptocurrency do so at their own risk and risk. [586] In October 2017, the Central Bank reportedly stated that it was not considering introducing prohibitive or restrictive measures on cryptocurrency mining. [587] Return to the top of Tajikistan On 15 January 2018, the National Bank of Tajikistan issued a statement warning the citizens of the republic about the risks associated with the use of cryptocurrencies. The Bank believes that, due to their anonymity, many cryptocurrency transactions can be used to conduct dubious operations. According to the Bank, the cryptocurrency could be exposed to cyberattacks or used for money laundering and terrorist financing. The Bank also clarified that in Tajikistan the cryptocurrency cannot be considered an official means of exchange or savings, or an accounting unit. [588] Back to the Top of South Asian Bangladesh On December 24, 2017, the Central Bank of Bangladesh issued a warning notice that cryptocurrencies are illegal in Bangladesh. [589] According to a report the notice states that [t]ransaction [sic] with this currency may cause a violation of existing money laundering and terrorist financing regulations. [590] The notice states that bitcoin transactions are not permitted by the Bank of Bangladesh or by regulatory agencies, and do not comply with the provisions of the Foreign Exchange Regulation Act of 1947; Anti-Terrorism Act 2009; And and. Money Laundering Prevention Act, 2012. [591] Also, according to the notice, [o]nline transaction [sic] of virtual currencies with any anonymous or pseudo-named parties may cause a violation of the abovementioned acts. . . . Actions through online networks involving cryptocurrencies are not approved by any central payment system and as such people can suffer financial damage and may face legal consequences. In these circumstances, citizens were asked to refrain from executing, assisting and advertising all types of transactions through virtual currencies such as Bitcoin to avoid financial and legal damages. [592] Law enforcement agencies, including the Foreign Exchange Police Department, the Bangladesh Financial Intelligence Unit (BFIU), and the Bangladesh Telecommunications Regulatory Commission (BTRC), have reportedly already held four meetings on hunting down those using cryptocurrencies. [593] Back to Top India The Government of India said in early 2018 that cryptocurrencies such as bitcoin are not legal tender in India. [594] While the government has not yet established a regulatory framework for cryptocurrencies,[595], the Reserve Bank of India (RBI) has advised caution on their use and has issued three notifications[596] that it has warned users, holders and traders about the risk of such currencies and clarified that it has not given any authorisation or authorisation to any entity or company to operate such systems or agreements. [597] More recently, on 6 April 2018, rbi issued a notification prohibiting banks, lenders and other regulated financial institutions from "trading in virtual currencies", which stipulated that [i]n view of the risks involved, it was decided that, with immediate effect, entities regulated by the Reserve Bank would not engage in VC or provide services to facilitate any person or entity dealing with or arranging VCs. registration, trading, settlement, liquidation, lending against virtual chips, accepting them as security, opening accounts of stock exchanges dealing with them and transferring/receiving money to accounts related to the purchase/sale of VCs. [598] In addition , RBI stated that [entities] already providing such services leave the relationship within three months of the date of this circular. [599] However, Deputy Governor B.P. Kanungo, at a policy press conference, recognized that blockchain technology or distributed ledger technology located under virtual currencies has the benefits for economic inclusion and enhancing the efficiency of the financial system and stated that the RBI has set up a cross-sectional committee at the Reserve Bank of India that will produce a report and explore the feasibility and feasibility of a digital currency by the central bank. [600] Reports in early 2018 showed that the government is in the process of drafting a law regulating the trade in cryptocurrencies India has also formed a commission to speed up the process, according to the Hindustani Times. [601] The government has expressed two main concerns that the law will address: the source of the money used to trade in [cryptocurrencies]; and regulating VC [virtual currency] exchanges to protect the common man, a government official said. [602] An interdisciplinary committee, chaired by the Special Secretary (Economic Affairs), was set up in April 2017 to examine the existing framework for Virtual Currencies. [603] The committee has nine members including representatives from the Department of Economic Affairs, the Department of Financial Services, the Department of Revenue (CBDT), the Ministry of Home Affairs, the Ministry of Electronics and Information Technology, the Reserve Bank of India, the National Institute for the Conversion of India (NITI Aayog), and the State Bank of India. The role of the Committee is (i) to take stock of the current situation of virtual currencies both in India and globally; (ii) examine the existing global regulatory and legal structures governing virtual currencies; (iii) propose measures to address these virtual currencies, including issues related to consumer protection, money laundering, etc.; and (iv) consider any other issue related to virtual currencies that may be relevant. [604] On 7 August 2017, Business Line reported that the Committee had submitted its report, but the details of the report had not been made available to the public. [605] On December 29, 2017, India's Ministry of Finance released a press statement warning investors of the real and increased risks of trading in cryptocurrencies such as bitcoin, saying that investments in virtual currency are similar to Ponzi schemes. [606] According to a February 1, 2018, news release, the Finance Minister told lawmakers in Parliament that [the] government does not consider cryptocurrencies legal tender or currency and will take all measures to eliminate the use of these crypto-assets in financing illegal activities or as part of the payment system, but [the] government will investigate the use of blockchain technology proactively to introduce [the] digital economy. [607] On 13 November 2017, the Supreme Court of India granted, in accordance with Article 32 of the Constitution, a request for the resolution of public interest disputes against the Union of India and issued a notice[608] to the Ministry of Finance, the Minister of Justice, the Ministry of Electronics and Informatics, the Capital Market Council of India and the Reserve Bank of India. The petition seeks a regulatory framework to be set for crypto currency wanted the virtual currency to be held accountable to the treasury. [609] The Supreme Court previously heard a petition in July 2017 calling for a similar kind of regulatory framework: A dispute of public interest [PIL] (Reference No. 406 of 2017) was filed in accordance with Article 32 of the Constitution against the Union of India, India, and the Reserve Bank of India for the use and operations of Bitcoins, Litecoins, Ethereum etc. The Supreme Court on July 14, 2017, instructed the RBI and the other ministries concerned to clarify their stance and enact a bill for the same before the PIL was made available. [610] Back on top of Nepal On August 13, 2017, Nepal's Rastra Bank issued a notice that all transactions related to or relating to bitcoins are illegal. [611] In early October 2017, a police team from nepal's Central Bureau of Investigation (CIB) first arrested seven people for allegedly running bitcoin exchange operations from different parts of the country, the Kathmandu Post reported. [612] Back to top Pakistan There currently does not appear to be any specific law regulating cryptocurrencies or cryptocurrency trading in Pakistan. In May 2017, the State Bank of Pakistan (SBP) said it did not recognise digital currencies. [613] On 6 April 2018, SBP issued a press release warning the general public about the risk of virtual currencies: [The] General Public is informed that Virtual Currencies/Coins/Marks (such as Bitcoin, Litecoin, Pakcoin, OneCoin, DasCoin, Pay Diamond, etc.) are not recognised as Legal Currency/Currencies/Brands in Pakistan either. In addition, Banks/DFI Microfinance of Banks and Payment System Operators (PSOs)/ Payment Service Providers (PSPs) have been advised not to make it easier for their customers/account holders to trade in Virtual Currencies/Initial Currency Offerings (ICO) /Tokens vide BPRD's Circular No. 03 of 2018. [614] The Federal Council of Revenue (FBR) is currently investigating traders of digital currencies for tax evasion and money laundering, according to news sources. In addition, the Federal Bureau of Investigation (FIA) has launched operations against people dealing with cryptocurrencies, according to a February 10, 2018 news release. [616] Back to Top East Asia and Pacific Australia In August 2015, the Australian Parliament's Senate Financial Reporting Committee published a report entitled Digital Currency – Game Changer or Bit Player,[617] following the completion of an investigation into how to develop an effective regulatory system for the digital currency, the potential impact of digital currency technology on the Australian economy, and how Australia can benefit from digital currency technology. [618] The Government responded to the Commission's recommendations in May 2016. [619] This included responses on the tax treatment of cryptocurrencies, which took note of aspects of the following actions of the Australian Taxation Office (ATO). The ATO has published a guidance document on tax virtual currencies. [620] The general guidance follows the finalisation in December 2014 of various decisions on the application of tax legislation to bitcoin other cryptocurrencies. [621] According to the guidance, the cryptocurrency transaction is similar to an exchange agreement, with similar tax consequences. [622] This is because, in the ATO's view, such currencies are neither money nor foreign currency. [623] Individuals trading cryptocurrencies are advised to keep records of the trading date, the amount in Australian dollars (which can be obtained from a reliable electronic exchange); why the transaction was; and who was the other party (even if it's just their bitcoin address). [624] Cryptocurrencies may be considered assets for capital gains tax purposes, with guidance stating: When you use bitcoin to purchase goods or services for personal use or consumption, any capital gain or loss from the disposal of bitcoin will be ignored (as a personal use asset) provided that the cost of bitcoin is \$10,000 or less. [625] As regards business transactions, the ATO guidance states that the value of bitcoins in Australian dollars (which is fair market value) received for goods and services should be recorded as part of normal income, as should receiving non-cash exchange in the context of an exchange transaction. [626] A company that purchases items using bitcoin is entitled to a discount based on the full competition value of the acquired item. [627] The Goods and Services Tax (GST) is also payable and is calculated at the market value of the goods or services, which is usually equal to the fair market value of bitcoin at the time of the transaction. [628] When a business has bitcoin, there may be capital gains tax consequences. If a company gives bitcoin to an employee this can be considered either a marginal benefit (if there is a valid salary sacrifice arrangement to receive the bitcoin) or normal salary and salaries. If an entity is involved in bitcoin mining, or buying and selling bitcoin as a foreign exchange service, any income generated must be included in its assessable income and any costs incurred may be deducted. [629] The ATO also published separate directives on the application of the Goods and Services Tax (GST) with regard to transactions involving a digital currency. [630] An earlier decision on the GST was revoked in December 2017 following the adoption of amendments to the New Tax System Act 1999 (goods and services tax) and related regulations applicable to transactions after 1 July 2017. [631] According to the amendments, digital currency sales and purchases are not subject to GST. If a person carries out a business in relation to the digital currency, or accepts the digital currency as a part of a business, then there are GST consequences. [632] The changes were aimed at abolishing double taxation of digital currencies under the GST system. [633] According to news reports from January 2018, the ATO consults with tax experts to help it identify and monitor cryptocurrency transactions and ensure that all taxes are The Australian Securities and Investments Commission (ASIC) MoneySmart website provides information about virtual currencies and determines various risks associated with buying, trading, or investing in such currencies. [635] These include the fact that there are few safeguards, because exchange platforms are generally not regulated; large fluctuations in value; possible theft by hackers; and the popularity of virtual currencies with criminals. A separate page provides information on initial coin offerings, which ASIC classifies as speculative high-risk investments. [636] In the field of anti-money laundering and counter-terrorism financing (AML/CTF), the government introduced a bill to Parliament in August 2017 to bring digital exchange rate providers under the AML/CTF regulatory regime, as recommended by the Senate committee mentioned above. [637] The bill was passed in December 2017 and the relevant provisions entered into force on 3 April 2018. [638] According to the amendments, digital currency exchanges should be entered in a register maintained by AUSTRAC (Australian Centre for Transaction Reports and Analysis) and implement an AML/CTF programme to mitigate money laundering risks, as well as to identify and verify the identity of their clients. [639] They should also report suspicious transactions and keep certain records. A more detailed report is available. Back on top of Brunei On December 22, 2017, the Central Bank of Brunei, Autoriti Monetari Brunei Darussalam (AMBD), released a statement reminding the public that cryptocurrencies are not legal tender in Brunei Darussalam and are not regulated by the AMBD, and advises the public to be vigilant and be extremely careful when dealing with such currencies issued privately. [640] The press statement also added that AMBD would like to remind the public to be careful when participating in any investment projects or financial transactions. It is recommended that the public is not easily lured by investment or financial activity advertisements, and conduct due diligence and properly understand financial products prior to participation. [641] Back at China's top central bank, the People's Bank of China (PBOC), it has been conducting a study of digital currency for over three years, and has established an institution of digital money within the PBOC. [642] Zhou Xiaochuan, the then governor of the PBOC, referred to the current regulatory regime of virtual currencies at a press conference held during the annual meeting of the National People's Congress in March When he quit. According to Zhou, Chinese regulators do not recognize virtual currencies like bitcoin as a tool for retail payments such as paper accounts, currencies, or credit cards. The banking system does not accept existing virtual currencies or provide related services, he said. [643] Previously, on 4 September 2017, seven central government regulators — the PBOC, the Management (CAC), the Ministry of Industry and Information Technology (MIIT), the State Administration of Industry and Trade (SAIC), the Banking Regulatory Commission of China (CBRC), the China Securities Regulatory Commission (CSRC) and the China Insurance Regulatory Commission (CIRC) — jointly issued the Communication on the Prevention of Financial Risks from Initial Coin Offerings, which banned initial coin offerings (ICO) in China. [644] According to the communication, ICO funding that increases so-called virtual currencies such as Bitcoin and Ethereum through the irregular sale and circulation of chips is essentially public financing without approval, which is illegal. [645] The Communication warned that the tokens or virtual currencies involved in ico financing are not issued by the monetary authorities and are therefore not necessarily legal tender, and therefore do not have an equal legal status to fiat currencies and cannot and should not be marketed and not used as currencies. [646] As early as 3 December 2013, PBOC, MIIT, CBRC, CSRC and CIRC jointly issued a notice warning the public about the dangers of bitcoin, the Notice of Precautions against the Risks of Bitcoins. [647] The circular defined bitcoin as 'by its very nature a special virtual commodity', which 'does not have the same legal status as currencies' and 'cannot and should not be marketed as a currency'. [648] According to the Communication, banks and payment institutions in China are prohibited from trading bitcoins. Financial and payment institutions are prohibited from using bitcoin pricing for products or services or to buy or sell bitcoins, nor can they provide direct or indirect services related to bitcoin, including registration, trading, settlement, clearing or other services; accept bitcoins or use bitcoins as a clearing tool, or trade bitcoins with Chinese yuan or foreign currencies. [649] A more detailed report is available. Back on top of Cambodia[650] The status of cryptocurrencies in Cambodia is ambiguous. The National Bank of Cambodia (NBC) signed an agreement with a Japanese company . . . develop a blockchain-based project for its own internal use, which will monitor interbank lending and transactions in April 2017. [651] However, it concerns only interbank transactions. NBC has asked banks in Cambodia not to allow people to trade in cryptocurrencies. [652] At nbc's fourth annual macroeconomic conference on December 5, 2017, NBC Chief Executive Chea Serey stated that the activities of a handful of companies operating in Cambodia that tried to convince people to use cryptocurrencies for everyday purchases and other financial transactions were not legal as digital currencies are not issued or supported by any government. [653] However, it also stated that digital currencies are not illegal in the kingdom and asked users to be wary of them and extremely careful when using them. [654] In a press release of 29 December 2017, NBC NBC the purchase-sale and circulation of any form of cryptocurrencies is permitted. [655] Back to the top of Hong Kong On February 9, 2018, the Hong Kong Securities and Exchange Commission (SFC) warned investors of the potential risks of dealing with cryptocurrency exchanges and investing in initial currency offerings (ICO). [656] In the warning, SFC stated that it had taken regulatory action against certain exchanges of cryptocurrencies and ICO issuers. The SFC has warned cryptocurrency exchanges in Hong Kong or with links to Hong Kong that they should not trade cryptocurrencies, which it described as securities as defined in the Securities and Futures Ordinance, without permission. The SFC also sent a letter to seven ICO issuers and most of them confirmed compliance with SFC's regulatory regime or immediately stopped offering brands to Hong Kong investors. The SFC said it would continue to police the market and participate in enforcement measures when necessary, and also urged market professionals to make proper gate guarding to prevent fraud or dubious fundraising, and to assist the SFC in ensuring compliance with the law. [657] The new registration follows a statement on ICO issued by the SFC on 5 September 2017. [658] This statement explained that, depending on the facts and circumstances of an ICO, the digital tokens offered or sold may be securities as defined in the Securities and Futures Ordinance and are therefore subject to Hong Kong securities laws. [659] According to the statement, here digital tokens involved in an ICO fall within the definition of securities, relating to or advising digital tokens, or manage or market a fund that invests in such digital tokens, may constitute a regulated activity. Parties engaged in a regulated activity must be authorised by the SFC or registered with the SFC, irrespective of whether the parties concerned are established in Hong Kong, provided that such business activities target the Hong Kong public. [660] On 8 January 2014, in response to a question raised at the Legislative Council meeting on the use of bitcoin, the Minister of Financial Services and the Ministry of Finance stated that virtual currencies such as bitcoin are not considered legal tender, but are virtual goods in Hong Kong, and warned of the dangers of using virtual currencies. [661] According to the Registrar, [i]t would be dangerous enough to convert, exchange or hold such virtual currencies since their value is not supported by any physical elements, issuers or the real economy. There are ceilings on the total size of the issue of such virtual currencies, but there is no guarantee that they will be converted into legal tender or goods in the real economy. Also, the price of virtual currencies may be vulnerable to significant fluctuations due to individual speculative activities. [662] On 25 March 2015, the Secretary answered another question concerning the regulation of bitcoin trading activities raised at the legislative meeting of the In the statement, the Minister reiterated that there are no specific regulatory measures for virtual goods, such as bitcoin in Hong Kong, but current laws provide for sanctions against illegal acts such as money laundering, terrorist financing, fraud, pyramid schemes and cybercrimes, with or without the participation of virtual products. Police will take enforcement action if they find criminal conduct involving virtual goods by conducting patrols, including searching for relevant information through public Internet platforms, the Minister said. The Hong Kong government and financial regulators will also closely monitor the development of bitcoin and other virtual commodities, he said. [664] Back to Top Indonesia On 13 January 2018, Bank Indonesia (Central Bank of Indonesia) released a statement warning against buying, selling or otherwise trading in virtual currencies. [665] The statement states: Bank Indonesia confirms that virtual currencies, including bitcoin, are not recognised as a legitimate means of payment, therefore they may not be used for payment in Indonesia. This is in accordance with Law No 136/66/EEC. [667] The statement goes on to say that ownership of the virtual currency is particularly dangerous, vulnerable to bubble risks, and prone to be used for money laundering and terrorist financing. [668] It also refers to Regulation No 136/66/EEC. 18/40/PBI/2016 on the implementation of payment transaction processing[669] and Regulation 19/12/PBI/2017 of the Bank of Indonesia on the application of financial technology[670] confirming that, as the principle of the payment system, the Bank prohibits all payment system operators and financial technology managers in Indonesia from processing transactions using virtual currencies. [671] This statement was supported by the Minister of Finance who, at a press conference on 23 January 2018, warned that virtual currencies are a high-risk and speculative investment and said that [w]e will also continue to function as a government that expresses the view that it is not in accordance with the law to be used as a means of transaction. [672] The Bank's statement follows a previous press release in 2014, in which it encouraged attention to virtual currencies and stated that [i]n its view of Law No. the virtual currency is not a currency or legal means of payment in Indonesia. [675] Back to Japan's Top Japan, cryptocurrency exchange companies are regulated. The Payment Services Act was amended in June 2016 and the amendment entered into force on 1 April 2017. [676] The amended Payment Services Act defines cryptocurrency[677] as the value of a property that can be used as payment for the purchase or rental of goods or the provision of services by unspecified persons, which can be purchased or sold to unspecified persons and which are transferable through an electronic data processing system; or value of property that may be reciprocally exchangeable for the above property value with unspecified persons and is transferable through an electronic data processing system. The law also stipulates that the cryptocurrency is limited to property values stored electronically on electronic devices. assets in currency and currency are excluded. [678] Under the Payment Services Act, only operators registered with a competent local Financial Office are allowed to operate cryptocurrency exchange operations. [679] The operator must be a brokerage firm or a foreign cryptocurrency exchange company that is a company, has a representative residing in Japan, and an office in Japan. [680] A foreign cryptocurrency exchange company means a cryptocurrency exchange service provider registered with a foreign government in a foreign country under a law providing an equivalent system of registration under the Japanese Payment Services Act. [681] The law requires cryptocurrency exchange companies to manage customers' money or cryptocurrency separately, in addition to their own. The status of this management should be reviewed by certified accountants or accounting firms. [682] The exchange company must have a contract with a designated dispute resolution centre with experience in cryptocurrency exchanges. [683] The foreign exchange undertaking must keep accounting records of cryptocurrency transactions[684] and report on the transaction to the Financial Services Agency (FSA) annually. [685] The FSA is authorised to inspect exchange operations and issue orders to improve their practices. [686] The FSA may cancel the registration of a cryptocurrency exchange undertaking or suspend its activities for up to six months in cases where the foreign exchange undertaking loses one of its registration requirements. It turns out that the exchange company made the registration illegally, or the exchange company violates the Payment Services Act or the orders based on the Law. [687] On 26 January 2018, Coincheck, one of Japan's largest cryptocurrency exchange companies, lost about \$400 million in NEM (cryptocurrency) chips. The local Finance Office ordered Coincheck to report on the same day, examined it and issued a series of work improvements on January 29, 2018. [688] The following day the FSA asked all cryptocurrency exchange companies to management and report the results to the FSA. [689] On 2 March 2018, the FSA carried out an on-the-spot inspection of Coincheck. On 8 March 2018, the local Finance Offices issued business improvement orders to seven foreign exchange companies.[690] again including Coincheck. [691] A group of cryptocurrency exchange companies made public their decision to form a new self-regulating body on 2 March 2018, which will include all registered exchange companies. [692] The entity aims to obtain authorization from FSA in accordance with the Payment Services Act. [693] In addition, under the Law on the Prevention of the Transfer of Criminal Products, cryptocurrency exchange companies are required to check the identities of customers who open accounts, keep transaction records, and inform authorities when a suspicious transaction is identified. [694] According to the National Tax Authority (NTA), the profit earned from sales of cryptocurrencies is, in principle, considered to be miscellaneous income[695] and not capital gains.[696] under the Income Tax Act. The NTA gathered questions and answers about the tax treatment of cryptocurrencies and published it online on December 1, 2017. [697] The various income is added to the amount of other income, excluding defined capital gains[698] when a person's taxable income is calculated and taxed. [699] A more detailed report is available. Back to the top of Macau The Macao Monetary Authority (AMCM) issued a statement on September 27, 2017, warning the financial industry and the public about the dangers of virtual goods and chips. [700] Any trading of these commodities poses significant risks, including but not limited to those related to money laundering and terrorist financing, against which all participants should remain vigilant, the statement said. According to the statement, AMCM had issued a notice to banks and payment institutions in Macau to warn them not to participate in or provide, directly or indirectly, any relevant financial services, following a similar ban by Chinese authorities on the mainland on initial coin offerings (ICO). [701] Previously, on 17 June 2014, AMCM issued a statement warning of the risks of bitcoin transactions. [702] According to that statement, bitcoin is a type of virtual commodity that is neither legal tender nor a financial instrument subject to AMCM's supervision. AMCM warned the general public that trading virtual goods such as bitcoin carries significant risks, including but not limited to those related to money laundering and terrorist financing. [703] Back in Top Malaysia On January 2, 2014, Negara Bank Malaysia (Malaysia's central bank) issued a statement saying that [t]he Bitcoin is not recognized as legal tender in Malaysia. The Central Bank does not regulate bitcoin's operations. It is therefore recommended that the public be careful about the risks associated with the use of this digital currency'. [704] On 14 December 2017, the Bank public consultation, a proposed policy on the invocation of reporting obligations on digital currency exchange activities as reference institutions under the Anti-Money Laundering, Terrorist Financing and Illicit Activities Act 2001. [705] According to the relevant press release: [i]t]he proposed the policy setting out the legal obligations, requirements and standards that digital currency exchangers, to be determined in accordance with AMLA's first programme, should apply as reference institutions. This includes transparency obligations aimed at providing relevant information to the public to better understand and assess the risks associated with the use of digital currencies. Increased transparency will also help prevent the use of digital currencies for criminal or illegal activities. The digital exchanger must also report its details to the Bank as a reference institution. Failure to declare its data as reporting institutions or compliance with reporting obligations may place digital currency exchangers in enforcement and non-compliance measures, as provided for under AMLA, as well as the possible termination or refusal to use financial services in Malaysia. [706] The press release also confirms that digital currencies are not considered legal tender in Malaysia and that digital currency businesses are not regulated by the Bank; invoking reporting obligations to digital currency exchange undertakings does not indicate any form of authorisation or approval by the Bank. [707] The statement goes on to again advise the public to carefully assess the risks associated with transactions in digital currencies. [708] The policy would require exchanges of digital currencies (these are companies that exchange digital currency for money, exchange money in digital currency or exchange one digital currency with another[709]), comply with regulations concerning the identification and verification of customers and beneficial owners, ongoing monitoring of customer transactions, sanction control, reporting suspicious transactions and record-keeping; transparency obligations; and 'requirements for the submission of data and statistics to the Bank' for the purposes of managing the risks of money laundering and terrorist financing. [710] Public comments on the draft policy had to be submitted by 14 January 2018; no date has been set for its finalisation. In addition, a news release in February 2018 states that the Bank is to release a reflection paper on cryptocurrencies later this month, and this will recognize cryptocurrencies as money or ban them altogether. The Governor of the Bank said, [b]asically, we will let cryptocurrency supporters including bitcoin, ethereum and ripple be more transparent, methods to be more transparent and people behind the stage are to be more transparent too. In this way, the public can decide for itself whether they want to invest in cryptocurrencies. [711] [711] a report states that the Bank will require stock exchanges to 'publish the prices and methodology used to set these prices in an effort to enhance transparency'. [712] The report also states that the Malaysian Securities and Exchange Commission (SC) plans to issue a cryptocurrency exchange framework and has stepped up oversight of the sector, issuing a cease-and-see letter in a crypto start-up on January 9 for failing to follow the country's securities regulations. [713] Previously, in September 2017, the Commission issued a statement warning investors about the emergence of digital-based trading activities/investment projects in Malaysia and elsewhere, which may be referred to as initial [CO] coin offerings, initial token offers, symbolic presale, symbolic crowd sale. [714] Subsequently, in a speech in November 2017, the President of the Commission stated that we continue to support our statement that these [CO] systems, in their current form, pose significant risks to investors. Therefore, SC strongly encourages investors to fully understand the characteristics of an ICO system and carefully weigh the risks before parting with their money. We are also now part of the IOSCO [International Securities Commission Organisation] ICO Consultation Network, where participating regulators discuss the latest developments in this area. At the same time, we note the growing interest of Malaysian investors in cryptocurrency and digital asset transactions. To facilitate such activities in our market and to implement appropriate investor safeguards, SC reviews the relevant regulations and guidelines to facilitate the operational and effective use of digital assets on the capital market, including the trading of the secondary market for established cryptocurrencies and digital assets. [715] As regards tax treatment, in January 2018 the Malaysian Internal Revenue Commission (IRB) froze the Malaysian bank account of a cryptocurrency trading platform based in the United Kingdom, apparently for the purpose of carrying out an audit to determine whether the company has complied with the Income Tax Act 1967, which requires the payment of income tax on any person coming from or coming from Malaysia. [716] An application was made in accordance with Section 81 of the Law, as well as Section 37 of AMLA for information on all the company's customers in Malaysia. According to the MANAGING DIRECTOR of the IRB, [a]ll traders should comply with Malaysia's tax requirement by keeping the appropriate records for audit purposes and transactions from cryptocurrency transactions when requested by the IRB. [717] Back in the Top Marshall Islands The Marshall Islands has introduced legislation allowing the launch of its own national cryptocurrency to serve as legal tender for citizens and businesses on the island. [718] The currency will be known as sovereign, or SOV, and will serve as the Marshall Islands' legal tender for all debts, public charges, taxes, and fees. [719] It will be circulated as legal tender except for the US dollar. [720] The SOV will be introduced in an upcoming initial coin offering (ICO), after which marshall islands residents will have the means to own, store and trade with SOV, and traders in the Marshall Islands will have access to an online application that will allow them to receive payments made with the SOV. [721] The Minister of Finance will appoint a person or company to conduct the ICO. [722] The news indicates that a fintech company called Neema, which was the spearhead of the initiative, is likely to be awarded the contract to conduct the ICO. [723] Back to the Top of New Zealand In October 2017, the Financial Markets Authority (FMA) published information on cryptocurrencies and the risks associated with them as part of its guidance on investment options. [724] In particular, it highlights the following three points about cryptocurrencies: They are high risk and extremely volatile - the price can go up and down very quickly Not regulated in New Zealand Cryptocurrencies, crypto-exchanges and the people who use them are often the targets of electronic fraud and fraud[725] The FMA has also published comments on initial currency offerings (ICO) and cryptocurrency services (including exchanges , wallets and mediation). [726] The information relates to the implementation of the existing regulatory framework for financial products and services. As regards ICO, the guidance states that the extent to which an ICO is regulated depends on whether a 'financial product' is offered to private investors in New Zealand (i.e. a 'regulated offer'). Whether a token offered through an ICO is a financial product and, if so, what kind of product, depends on the specific characteristics and economic substance of the token. [727] The FMA then explains how a token can be considered one of the four types of financial products defined in the Financial Markets Conduct Act 2013 (these are debt securities, equity instruments, managed investment products and derivatives)[728] and, if so, what are the issuer's obligations. It also notes that ICO and non-financial products brands will continue to be subject to general consumer protection laws in New Zealand, for example prohibitions against misleading and misleading behaviour and fraud or other criminal behaviour. [729] As regards cryptocurrency services, the FMA guidance states that companies based in New Zealand providing an economic service related to cryptocurrencies must comply with the 2008 Law on financial service providers (registration and dispute resolution). [730] It then explains how different types of undertakings could be considered to provide a financial service and the obligations of those undertakings. The Internal Revenue Service (IRD) has not yet issued guidance or decisions on the tax treatment of cryptocurrencies. The work programme of public decisions for the financial year 2017-2018 includes cryptocurrencies' as an element in progress, as of 9 February 2018, with the work [p]reparatory for issuing public guidance' in progress. [731] According to a January 2018 news release, the IRD reported that people should treat money made by buying and selling cryptocurrencies in the same, or similar, way that they would make money by buying and selling gold. That is to say, pay tax on the profit made from the sale of a currency only if that currency was purchased with the intention of resale. [732] He directed the author to an information sheet on gold, which explains that the amounts resulting from his disposal would be income if the gold was acquired for the dominant purpose of disposal. [733] In addition, a representative of the Reserve Bank of New Zealand (its central bank) referred to a December 2017 news article that cryptocurrencies would be included in the bank's major review of its currency operating model and support infrastructure, which is underway. He explained that this project focuses on demand drivers, distribution models and cash substitutes. It includes the examination of cryptocurrencies, blockchain technology and distributed ledgers. The Reserve Bank does not regulate bitcoin. Regardless of the legal status that Bitcoin has, it is in accordance with common law on contracts, tax obligations, etc. [734] A detailed note issued by the Reserve Bank in November 2017, which does not serve as an official policy position, discusses the technology involved in cryptocurrencies, their characteristics and mechanisms, and the impact of cryptocurrencies on consumers, financial systems, monetary policy and regulatory policy. [735] Back in the Top Philippines Bangkok Sentral ng Pilipinas (BSP, that is, the Central Bank of the Philippines) has issued guidelines on virtual currencies (VC). [736] In particular, these guidelines provide that, since VC is not supported by a central bank or a particular commodity and is not guaranteed by any country, they are not legal tender. [737] However, since they are used as a channel for the provision of certain financial services, such as remittances and payment transactions, entities providing such services using VC should register with the BSP and take appropriate measures to mitigate and manage the risks associated with these currencies. [738] In addition, the Guidelines provide for penalties applicable to VC entities carrying out operations without the appropriate authorisation of the BSP. [739] Return to Samoa Summit On 12 June 2017, the Central Bank Samoa issued a statement in which it warned the public to be very careful and diligent in dealing with investment in digital currency. [740] As part of a broader warning against the rich around the world, he advised people to ensure that they fully understand how a business works and the risks and benefits of investments, and to contact the Bank if they are uncertain. No other government statements or regulatory actions were identified. Back to top Singapore after its rise of initial coin offerings (ICO) in Singapore as a means of raising capital on 1 August 2017, the Monetary Authority of Singapore (MAS) issued a statement specifying that the offer or issue of digital tokens in Singapore will be regulated by MAS if digital coupons fall within the definition of securities regulated under securities law. [741] MAS's position is not to regulate virtual currencies. However, MAS has noted that the operation of digital chips has evolved beyond simply being a virtual currency, the statement said. [742] Following the August statement, the Deputy Prime Minister and Minister responsible for MAS (DPM) replied to Questions from Parliament for its meeting on 2 October 2017 on the regulation of cryptocurrencies and ICO. [743] According to the DPM, although MAS does not regulate virtual currencies per se, it regulates activities related to the use of virtual currencies that fall under MAS's regulatory programme, such as money laundering and terrorist financing. MAS is working on a new regulatory framework for payments that will address the risks associated with virtual currencies, the DPM said. [744] With regard to ICO, MAS has not adopted specific legislation, but will continue to monitor developments and consider more targeted legislation when necessary, the DPM added. [745] As regards the new regulatory framework for payments, MAS issued a consultation document proposing the Payment Services Bill in November 2017. [746] The proposed bill would extend the scope of regulated payment activities to include virtual currency services and other innovations. Under the new framework, entities running virtual currency services, including the purchase or sale of virtual currency, should be licensed. [747] Back to the Top of South Korea[748] The South Korean Government has implemented a rule allowing transactions in cryptocurrencies only from real name bank accounts (real name account system) as of January 30, 2018. Cryptocurrency traders must have contracts with banks regarding cryptocurrency transactions. Banks review dealers' cyber management and security systems before signing such contracts. To make a deposit in his electronic wallet to a cryptocurrency trader, a cryptocurrency trader must have an account at a bank where the cryptocurrency trader also has an account. The bank checks the identity of the trader (customer) when opening an account for the trader and the merchant reports his bank account to the dealer. The representative shall also verify the identity of the trader and submit an application trader's account at the bank. [749] Anonymous cryptocurrency traders can withdraw from their cryptocurrency accounts but cannot make a new deposit. Minors, as well as foreigners, regardless of where they live, are prohibited from trading in cryptocurrencies. [750] In accordance with the Law on reporting and the use of specific information on financial transactions suspected, on reasonable grounds, of being illegal or involving money laundering. [751] The Korea Financial Intelligence Unit (KFUI) issued guidelines on reporting by banks to prevent money laundering through cryptocurrency transactions. [752] The guidelines list the following examples of suspicious situations: When a trader deposits or withdraws 10 million won (approximately US\$9,400) or more per day or 20 million won or more on week When a trader makes financial transactions (banking) five times or more a day or seven times or more a week When a trader is a company or organization When a trader who does not have a deposit file for a cryptocurrency exchange account withdraws the more of the funds sent from the cryptocurrency exchange account in cash When there are reasonable grounds to suspect that a trader divides the amount of money in the transaction or the number of transactions to avoid reporting by financial institutions. [753] The law and guidelines also require cryptocurrency traders and banks to verify the identity of traders and other information. [754] On February 20, 2018, the head of South Korea's Financial Supervision Agency, Choe Heung-sik, said the government would support normal cryptocurrency transactions and encouraged financial institutions to facilitate transactions with cryptocurrency exchanges. [755] In March 2018 it was reported that the Ministry of Strategy and Finance is preparing a draft framework framework for the taxation of cryptocurrencies for publication by the end of June 2018. The ministry reportedly considers cryptocurrency revenues to be capital gains or miscellaneous revenues. [756] Back on Top of Taiwan On December 19, 2017, the Taiwan Financial Supervision Commission (FSC) issued a statement warning the general public about the risks of investing in virtual commodities such as bitcoin. [757] In the statement, the FSC reiterated that in Taiwan, virtual currencies such as bitcoin are considered highly speculative virtual commodities. According to the statement, if the tokens involved in the initial coin offerings (ICO) are securities under the Securities and Exchange Act they will be examined on a case-by-case basis, and illegal fundraising will be punished in accordance with financial laws. [758] Previously, on 30 December 2013, the Central Bank of Taiwan and the FSC jointly issued a statement warning the public of the risks involved in dealing with bitcoin. [759] In the statement, the regulatory authorities that bitcoin is not a real currency, but a highly speculative virtual commodity. The general public was informed of the specific risks associated with accepting, trading or holding bitcoin. The Central Bank and the FSC will take the necessary regulatory measures at the appropriate time to provide bitcoin-related services from financial institutions, the statement said. [760] Following the 2013 warning, the FSC issued a notice on 6 January 2014 prohibiting banks and financial institutions in Taiwan from accepting or bitcoin or the provision of token-related services to bank ATMs. [761] UPDATE (22 January 2019): On 7 November 2018, taiwan's Money Laundering Control Act was amended to include virtual currency platforms in the regulatory scope of the law. Additional information on this topic is available. Back to Top Thailand[762] The Bank of Thailand issued a circular on February 12, 2018, asking financial institutions to refrain from doing any cryptocurrency business. [763] Bangkok Bank ceased trading in cryptocurrencies with a private Thai company, Thai Digital Asset Exchange (TDAX), on 24 February 2018. [764] On 27 February 2018, Krungthai Bank, a state-owned financial institution, discontinued cryptocurrency-related transactions with TDAX through the bank's accounts. [765] According to a news article, the ban will continue even after a new regulation (considered below) is issued. [766] Although the government expects the new laws on cryptocurrencies to be introduced in the future, it has decided to implement provisional measures to protect cryptocurrency investors. [767] According to news articles, on 13 March 2018, the Council of Ministers approved the principles of the draft two Royal Decrees, one on the regulation of digital currencies, including cryptocurrencies, transactions and initial coin offerings (ICO), and the other on the amendment of the Revenue Code for the collection of capital gains taxes on cryptocurrencies. [768] Decrees require all transactions in digital assets, including transactions in digital assets, brokers and agents, to be registered with the competent authorities. [769] Back to top Vanuatu In October 2017 a number of media outlets reported that Vanuatu would allow people to use cryptocurrency to pay the fee to obtain Vanuatu citizenship as part of its citizenship investment program. [770] However, the citizenship office subsequently denied this, saying that there was no legal confirmation regarding the use of cryptocurrencies for this purpose and all payments had to be in US dollars. [771] No other government statements or regulatory actions were identified. Back to the top of Vietnam[772] The State Bank of Vietnam issued a decree on the cryptocurrency on October 30, 2017. According to news reports, the Bank effectively determined that Bitcoin and other virtual currencies are not a legitimate means of payment. This effectively also prohibited the issuance, supply and use of cryptocurrencies. Those found in breach of the Decree and other relevant legal authorities face up to 200 million dong (approximately US\$9,000). [773] Some media outlets have also reported that the government is trying to establish a legal framework for cryptocurrencies. It was reported that the governor of the State Bank of Vietnam (SBV) Le Minh Hung said that in terms of treating it as an investment asset, SBV will work with the Justice Ministry to study the

legal framework for managing Bitcoin. [774] Return to the top staff of the Global Directorate of Legal Research Research 2018 [5] José Crettaz, Bitcoin: Fibre Argentina por la Máquina de Dinero Digital [Bitcoin: Argentina Fever for the Digital Money Machine], La Nación (June 30, 2013), filed in . Diego Geddes, Argentina es uno de los países que más usa el bitcoin [Argentina is one of the countries that uses Bitcoin], Clarín (December 31, 2013), filed in . [26] Digital currency, supra note 23. [57] Ley para Normal las Instuciones de Tecnología Financiera [Law on the Regulation of Fintech Companies] Arts. 30-32, 88. [58] Id. sexta disposicion transitoria (II). [67] Decreto 3196, Article 5. [71] Id. (quoting crbv 318). [72] Id. (referring to CRBV Article 12). [79] Securities Act, ceiling, §13. Revised Statute of Anguilla, on 3. 20 Act. Section 1 of the Securities Act defines securities as shares and shares in the share capital of a company; (b) any instrument which creates or recognises the debt and which is issued or proposed to be issued by a company, including, in particular, bonds, bonds, loan stocks, bonds and promissory notes; (c) bonds and other instruments creating or recognising the debt issued by or on behalf of any participating government; (d) any right (whether granted by warrant or otherwise) to register shares or debt securities (e) any right to acquire or dispose of any other guarantee, (f) units in a system of collective investments, including the shares or securities of an investment company; and (g) any other transaction intended to be a guarantee for the purposes of this act. [81] Hobson, supra note 78. [84] Hobson, supra note 78. [85] Ross & Beyoud, supra note 82. [86] Hobson, supra note 78. [94] Comments by John Rolle, above note 92. [98] ID. [99] Comments by John Rolle, hyper-note 92. [128] EBA, Warning to consumers about virtual currencies (December 2013), 598344/EBA+Warning+on+Virtual+Currencs.pdf, archived at EBA, EBA opinion on Virtual currencies, 4 July 2014, Opinion+on+Virtual+Currencies.pdf, archived in EBA, Opinion of the European Banking Authority on the EU Commission's proposal to introduce virtual currencies into the scope of Directive (EU) 2015/849 (4AMLD), 11 August 2016, Opinion+on+ archived in . [129] EBA, Opinion of the European Banking Authority on the EU Commission's proposal to introduce virtual currencies into the scope of Directive (EU) 2015/849 (4AMLD), Super-Court 128, No. No. Draghi, supra note 131131. [138] Steuerliche Behandlung von Kryptowährungen (virtuelle Währungen), supra note 135. [143] Bitcoins, FMA, (last visit March 20, 2018), are archived in . FMA, Focus on virtual currencies. Bitcoin, Ethereum, Ripple & Co from the perspective of investor protection, (last visit April 5, 2018), are filed in . [191] Gur Huberman et al., Monopoly without a Monopoly: An Economic Analysis of the Bitcoin Payment System 36 (Bank of Finland Research Discussion Paper 27, Sept. 5, 2017), 123456789/14912/BoF_DP_1727.pdf, filed at . see also Rachel Rose O'Leary, Revolutionary: Finnish Central Bank Paper Heaps Praise of Bitcoin, Coindesk (September 11, 2017), filed in . [211] Achats de Bitcoin, supra note 203. [216] Gesetz über das Kreditwesen [KWG] [Banking Law], 9 September 1998, Bundesgesetzblatt [BGBl.] [Federal Journal of Law] I at 2776, § 1, paragraph 11, proposal 1, No __blob dl_kwg_en . Virtual Currency (VC), BaFin, FinTech/VirtualCurrency/virtual_currency_node_en.html (last visit March 16, 2018), filed in . [217] Banking law, § 32: Virtual currency (VC), supernote 216. [219] Bundesministerium der Finanzen [BMF] [Federal Ministry of Finance], BMF-Schreiben. Umsatzsteuerliche Behandlung von Bitcoin und anderen sog. virtuellen Währungen? EuGH-Urteil vom 22. Oktober 2015, C-264/14, Hedqvist [BMF-Letter. VAT treatment of Bitcoin and other so-called virtual currencies; Judgment of the ECJ of October 2015, C-264/14, Hedqvist] (BMF Letter), February 27, 2018, on 1 & 2. . de/Content/DE/Downloads/BMF_Schreiben/Steuerarten/Umsatzsteuer/Umsatzsteuer-Anwendungserlass/2018-02-27-umsatzsteuerliche-behandlung-von-bitcoin-und-anderen-sog-virtuellen-waehrungen.pdf?__blob archived in Case C-264/14, Skatteverket v. David Hedqvist, ECLI:EU:C:2015:718, filed in . [220] Letter BMF, above note 219, on 3. [226] Press Release, National Bank of Hungary, Virtual money available on the World Wide Web carries increased risks (20 December 2016), archived in see also Christian Keszthelyi, MNB Warns Again about cryptocurrency risks, Budapest Business Journal (December 20, 2016), filed in . [237] Speech by Gerry Cross, supra note 231. [240] Risoluzione Ministeriale 72/E del 2 settembre 2016, Interpello ai sensi dell'art. 11, legge 27 luglio 2000, n. 212. 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[248] Valuta Virtuale: Consultazione Pubblica sul Decreto Ministeriale di cui all'Articolo 17-bis, Party 8-ter del Decreto Legislativo 13 Agosto 2010, n.141 e Successive Modificazioni [Virtual Currency: Public Consultation on the Ministerial Decision referred to in Article 17-bis, paragraph 8-ter of Legislative Decree No it/it/consultazioni_publiche/prestatori_virtuali.html (last visit on 9 May 2018), filed in . [250] Amendments to the Law on the Prevention of Money Laundering and terrorist financing, . see also Dmitry Kolesnikov, Virtual Currency Regulation came into existence in Latvia, NJORD Law Firm (November 10, 2017), (in Russian), filed in . [263] Serlut, Monnaies irielles, supra note 261. [269] Parliamentary Secretariat for Financial Services, etc., point 265, 265. [284] Press Release, Parliamentary Secretariat for Financial Services, Digital Economy and Innovation, above note 268. Borg, supra note 283. [288] At present there is no law library of conference research staff connoisseurs of Dutch. This research into Netherlands law has been carried out on the author's dependence on practical legal research and on the basis of the relevant legal resources, mainly in English, currently available in the Legal Library and on the Internet. [310] Methodological guideline, above. [329] Finansinspektionen, supra note 63, to 325. [334] Skatteverket, super-note 333. [339] Press Release, Kronofogden, Nu kan du köpa bitcoin hos Kronofogden [Now you can buy Bitcoins from the Swedish Enforcement Authority] (October 12, 2017), filed at . see also Elin Hofverberg, Sweden: Bitcoins seized during asset seizure, Global Legal Monitor (November 7, 2017), //www.loc.gov/law/foreign-news/article/sweden-bitcoins-seized-during-asset-seizure/, filed in . [345] Ali, supra note 344, to 344. [363] Distributed Ledger Technology (DLT) is defined in the Financial Services (Investment and Fiduciary Services) Act 1989, Law No 136/2004 of the European Parliament and of the Council of 2989 on financial services (investment and fiduciary services), and (b) all copies of the database shall be considered equally authentic; and 'value' includes assets, holdings and other forms of property, rights or interests, with or without relevant information, such as agreements or transactions for the transfer of value or its payment, liquidation or settlement. [366] Financial Services Act 1989 (investment and fiduciary services), §§ 5, 7, 53, 56, [368] Financial Services Act 1989 (investment and fiduciary services), sched. 3, ¶ 10. [371] Distributed Book Technology Regulatory Framework (DLT Framework), FAQs, Gibraltar Financial Services Committee, above note 369. [377] Distributed Book Technology Regulatory Framework (DLT Framework), Gibraltar Financial Services Committee, above note 369. [378] Press release, Government of Gibraltar and Ministry of Commerce, above note 376. [385] Virtual currencies, cryptocurrencies and initial coin offerings (ICO), Guernsey Financial Services Committee, exceed note 383383. [389] Law No 1/2004 of the European Parliament and of the Council of 22 December [390] See Press Release, Central Bank of Iceland (2014), super-note. [391] Lög um gjaldveyrismál (1992 nr. 87 17. Nóvember) [Foreign Exchange Act (No. 87/1992)], as amended until 105/2016, archived on unofficial translation available on archived in see also Press Release, Central Bank of Central Bank of Iceland Concludes Agreement with Owners of Króna Offshore Assets (Mar. 12, 2017), 2017, archived in Elin Hofverberg, Iceland: Central Bank eases currency restrictions, ends capital controls of financial crisis, Global Legal Monitor (May 16, 2017), //www.loc.gov/law/foreign-news/article/iceland-central-bank-eases-currency-restrictions-ends-financial-crisis-capital-controls/, filed in . [394] Press Release, Central Bank of Iceland (2017), super-392. [395] Compare the Press Release, Central Bank of Iceland (2014), exceeds 388. [402] Proceeds of Crime (Operations in the Regulated Sector) Decree 2015, 2015/0073, S.D., Article 1(1)(mm), filed in amending the Crime Products Act 2008 No. [403] Isle of Man Financial Services Authority, Q&A, supra note 401. [406] Designated Enterprises Act (registration and supervision) of 2015 – AML/CFT Manual, elevation 404. [407] Isle of Man Financial Services Authority, Virtual Currency Company: AML/CFT Special Guidance Notes, supra note 405, on 4. [409] Defined Enterprise Law 2015 (registration and supervision) – AML/CFT Manual, elevation 404. [412] Isle of Man Financial Services Authority, Q&A, supra note 401. [420] Id. Sched. 2, Part B, ¶ 4(4). [421] Id. Sched. 2, Part B, ¶ 9(2)(a)–b. [424] Crime Products Act 1999, Sched. 2, Part B, ¶ 3 (definition of customer due diligence measures). [427] Id. Sched. 2, Part B, ¶ 4. [428] Department of the Chief Minister, Regulation of the Virtual Currency Policy Document, supra note 415, ¶ 1.34. [432] Gesetz über berufliche Sorgfaltspflichten zur Bekämpfung von Geldwäscherei, organisierter Kriminalität und Terrorismusfinanzierung [Sorgfaltspflichtesetz] [SPG] [Act on Professional Due diligence to combat money laundering, of organised crime and terrorist financing [Due Diligence Act] [DDA]], Dec. 11, 2008, Landesgesetzblatt Nummer [LGBI.-Nr.] [Official Journal of Law No.] 2009.047, as amended, Article 2(1)(l), archived in unofficial English translation available at en_636524807784985165.pdf?t=5, archived in . [433] Article 2(1)(l). [447] Press Release, Finanstilsynet, Advarsel til forbrukere - informasjon om virtuelle valutaer [Warnings users - Information on virtual currencies] (13 December 2013), advarsel-til-forbrukere--informasjon-om-irdielle-valutaer/, archived in Press Release, Finanstilsynet, Finanstilsynet advarer forbrukere om kryptovaluta [Financial Supervisory Authority warns users about cryptocurrencies] (28 February 2018), 2018), archived in . [449] Press Release, Finanstilsynet (2018), super-name 447; Press Release, Finanstilsynet (2017), super-note 448. [451] Bruk av bitcoins – skatte- og avgiftsmessige konsekvenser [Use Bitcoins – Tax Effects], Skattetaten (November 11, 2013), archived at . see also Elin Hofverberg, Norway: Bitcoins are capital property, not currency, says the Norwegian tax authority, global legal monitor (December 11, 2013), //www.loc.gov/law/foreign-news/article/norway-bitcoins-are-capital-property-not-currency-says-norwegian-tax-authority/, filed in . [453] Skattetaten, supra note 451. [456] Skatteetaten, supernote 451; see also Hofverberg, supra note 451. [464] The Ministry of Telecommunications and Mass Communications proposed a regulatory moratorium on industrial miners, RBC, supra note 460. [472] Press Release, NBS, Bitcoin will not replace the euro or any other currency, supra note 469. [479] Guidelines for finma's ICO, above Note 477, No. [483] FMAIA Art. b. [485] Guidelines for finma's ICO, above Note 477, no. [487] Guidelines for finma's ICO, above Note 477, No. Kollektivianlagelengesetz [KAG] [Collective Investment Schemes Act] [CISA], 23 June, 2006, SR 951.31, 20052154/20160700/951.31.pdf, archived in unofficial English translation available on archived in . [488] Guidelines for finma's ICO, above Note 477, No. Geldwäscherigesetz [GwG] [Anti-Money Laundering Act] [AMLA], 10 October 1997, SR 955.0, 1010000/955.0.pdf, archived in unofficial English translation available on archived in . [489] Guidelines for finma's ICO, above Note 477, on 7, No. [507] There is no Bitcoin trade for Moneychangers, Financial Tribune (December 23, 2017), economy-business-and-markets/78454/no-bitcoin-trade-for-moneychangers, filed in . The CBI is responsive, inter alia, for shaping the country's monetary and credit system, formulating regulations on outflow, as well as repatriating Iranian and foreign currency, [and] foreign exchange transactions. & Regulation, Central Bank of the Islamic Republic of Iran, (last visit on March 19, 2018), filed in . [509] Iran's banks banned from trading in cryptocurrencies, BBC News (23 April 2018), News/Technology-43865105, filed in The Iranian Banker calls for cryptocurrency recognition, Financial Tribune (January 7, 2018), tribune.com/articles/economy-business-and-markets/79459/iranian-banker-calls-for-cryptocurrency-recognition, filed in . No Bitcoin Trade for Moneychangers, supra note 507. [513] Supervision of Financial Services (Regulated Financial Services) Law 5776-2016, §§ 2 & 12, Sefer Hahukim [Law Book, Official Journal] No. [514] Id. § 11A, subsection (7) of the definition of financial asset. [519] Id. §§ 3.1–3.2; Income tax decree (new version), 1961, 1. Laws of the State of Israel (LSI) (new version) 1967 and the Law on Value Added Tax, 5736-1975, 30 LSI 46 (1975/76), both as amended. [521] Circular of the Israel Tax Authority No. [558] SARB, Position document for virtual currencies, supra note 557, §§ 2.1 & 3.2. [559] Virtual Currencies / Cryptocurrencies, SARB, supra note 556. [560] SARB, position paper for virtual currencies, supra note 557, § 4.3. [563] Virtual Currencies / Cryptocurrencies, SARB, supra note 556. [564] SARB, position paper for virtual currencies, supra note 557, § 4.3. [591] Central Bank of Bangladesh, Warning Notice on Bitcoin Transactions, supra note 589 (English translation from the original Bengali provided by law library Librarian Shameema Rahman). [596] Press Release, Reserve Bank of India, RBI Warns users of virtual currencies against risks (December 24, 2013), filed in Press Release, Reserve Bank of India, RBI Warns virtual currency users (February 1, 2017), . org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=39435, archived in Press Release, Reserve Bank of India, Reserve Bank Warnings About the Risk of Virtual Currencies, Including Bitcoins (December 5, 2017), filed in . [601] Radius, supra note 594. [615] Mubarak Zeb Khan, super-note 613. [621] ATO, Income Tax: Is Bitcoin a foreign currency for the purposes of Section 775 of the Income Tax Assessment Act 1997 (ITAA 1997)? 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(all translations per author). [650] There are currently no members of the research staff of the Library of Congress who know the Hammers. This report was prepared on the author's dependence on practical methods of legal research and on the basis of the relevant legal resources, mainly in English, currently available in the Legal Library and online. [667] Press Release, Bank Indonesia, super-note 665. [671] Press Release, Bank Indonesia, super-note 665. [676] 資金決済に関する法律 [Payment Services Act], νόμος αριθ. [677] In Japanese, the term 仮想通貨 (virtual currency) is used. [678] Payment Services Act Article 2, para. [680] Payment Services Act Article 63-5, para. [681] Id. 2, para. [685] Id. Article 63-14. Because the Cabinet delegates its power over most matters under the Payment Services Act to the Financial Services Agency (FSA) (id. art. 104), the FSA is the cryptocurrency trading regulator. [686] Id. arts. 63-15 & 63-16. [693] Payment Services Act Article 87. [694] 犯罪による収益移転防止に関する法律 [Πράξη για την πρόληψη της μεταφοράς προίοντων αξιόποινων πράξεων], νόμος αριθ. [695] 所得税 [Income Tax Act], Law No. [698] 租稅措 [Law on Special Measures on Taxation], Law No. [699] Income Tax Act Article 89 [705] Press Release, Bank Nega Malaysia, Making Digital Currencies Transparent in Malaysia (December 14, 2017), filed in Law of 2001 on combating money laundering, the fight against terrorism and the proceeds of illegal activities (Law 612), as of 1 December 2015, 613 TPPUU Dis Dis archived in . [706] Press release, making digital currencies transparent in Malaysia, supra note 705. [717] IRB: The cryptocurrency is not regulated but traders are still subject to the Malaysian Income Tax Act, super-note 716. [719] Id. §§ 103 a), 104(1). [721] Id. §§ 104(4), 105(5). [729] Initial coin offerings, supra note 727. [748] There are currently no members of the research staff of the Library of Congress with knowledge of Korean. This report was prepared on the author's dependence on practical methods of legal research and on the basis of the relevant legal resources, mainly in English, currently available in the Legal Library and online. [754] Reporting Act and specific information on financial transactions Article 5-2. [757] Press Release, Financial Supervisory Committee warns the general public once again about the risks of investing in virtual commodities such as Bitcoin (Dec. 19, 2017), path=0.2&mcustomize=news_view.jsp&dataserno=201712190002&aplistdn=ou=news,ou=multisite,ou=chinese,ou=ap_root,o=fsc,c=tw&table=News (in Chinese), archived in . [762] At present there are no legal members of the research staff of the Library of Congress who know Thai. This report was prepared on the author's dependence on practical methods of legal research and on the basis of the relevant legal resources, mainly in English, currently available in the Legal Library and online. [770] See, for example, Echo Huang & Tripti Lahiri, A small Pacific island will now let you pay for citizenship with Bitcoin, Quartz (October 11, 2017), archived in Bitcoin can buy you Vanuatu Citizenship, Radio New Zealand (October 10, 2017), archived at . [771] Vanuatu Govt Steps Away From Bitcoin Payments, Radio New Zealand (October 19, 2017), archived at Ben Moshinsky, Vanuatu denies he will accept Bitcoin for his \$200,000 Citizenship Program, Business Insider (October 18, 2017), filed in . [772] There are currently no members of the research staff of the Library of Congress who are familiar with Vietnamese. This report was prepared on the author's dependence on the practical legal research and on the basis of the relevant legal resources, mainly in English, currently available in the Legal Library and online. Back to the top Last updated: 24/07/2020 07/24/2020 07/24/2020

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