

DIGITAL TRANSFORMATION

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TOKEN TAX

The taxation of [cryptocurrencies](#) is a very important matter for both investors and issuers. For the tax burden is generally a deciding factor for the profitability of an investment.

How the tax authorities treat tokens for income tax purposes depends, among other things, on whether the tokens were acquired through mining or by investing capital and on whether they are held by the respective investor as business or private assets. On the other hand, the VAT treatment of tokens is based on their exact structure. According to a decision of the ECJ from 2015 (C-264/14), if they are structured as such, bitcoins can be treated like legal tender so that bitcoin transactions are in principle tax-free.

We provide issuers, dealers and investors with extensive advice on all tax-related aspects of the acquisition, holding and sale of bitcoins and other tokens. Our tax lawyers also provide advice in connection with the structuring of token issues and investments.

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