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TAXATION ON CRYPTO TOKEN WORLD WIDE

INTERNATIONAL REGULATION PROCESS




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COUNTRIES	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI
SING 		09/2013 warning		11/2016 MAS publish regulation sandbox		01/08/2017: Regulation sandbox for ICO




COUNTRIES	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI
AUS 			2013 could be accepted as barter exchange	07/2017 become “just like money”		





COUNTRIES	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI
US 	The U.S. Treasury classified bitcoin as a convertible decentralized virtual currency in 2013		The Commodity Futures Trading Commission, CFTC, classified bitcoin as a commodity in September 2015. Per IRS, bitcoin is taxed as a property	25/07/2017 SEC Report Asserts Cryptocurrency Tokens Are Securities Under US Law		



COUNTRIES	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI
EU 				October 2015, the EU Court of Justice dicided "virtual currency is exempt from VAT"		



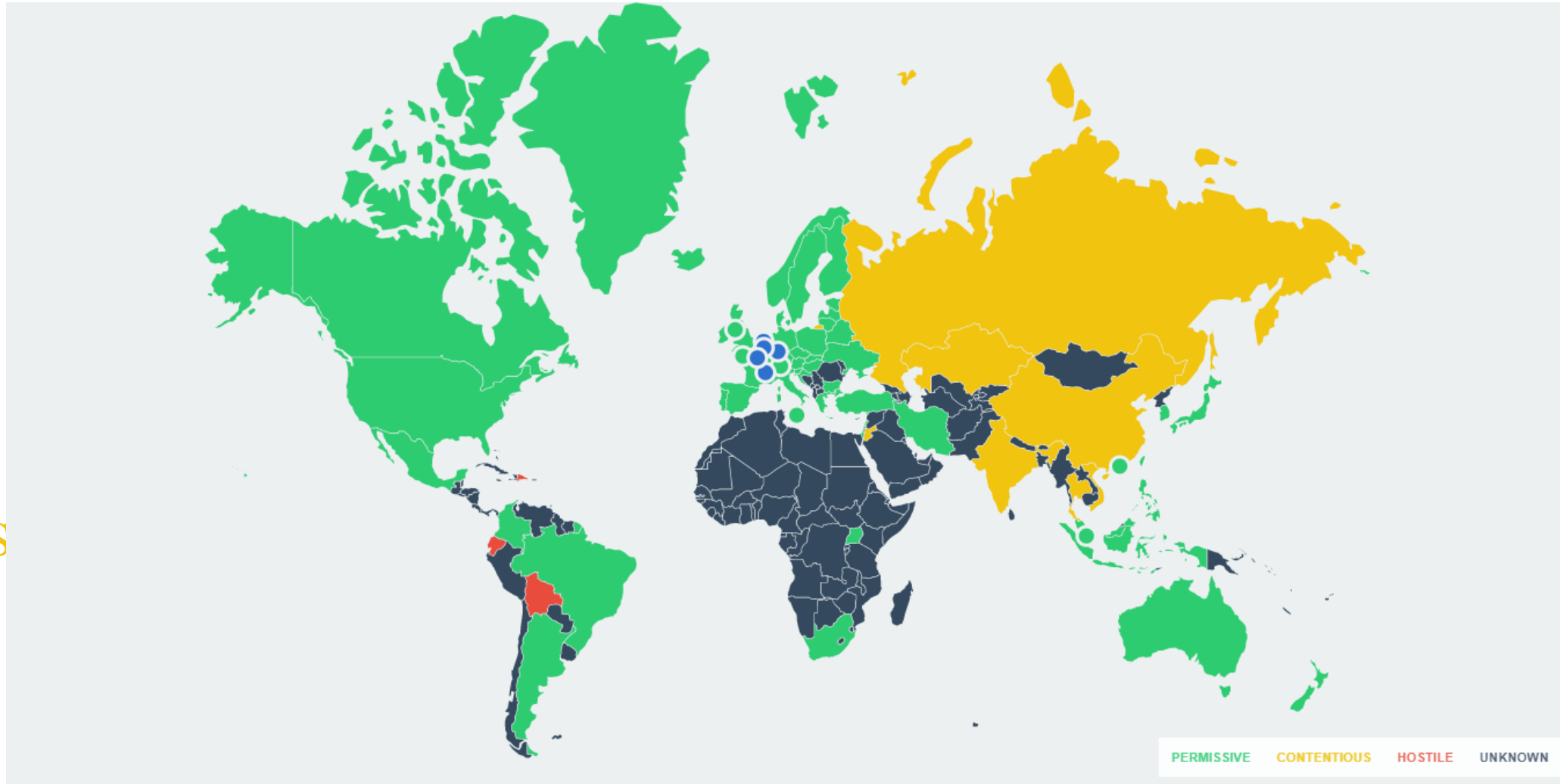
COUNTRIES	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI
UK 			2016, HMRC began to issue guidance	2017, the government has stated that it is treated as a “foreign currency”		
Switzerland 			June 2014, VCs are not in a legal vacuum, so there is no need for legislative measures to be taken			The Swiss FINMA published a set of guidelines for Initial Coin Offerings (ICO).

PERMISSIVE

CONTENTIOUS

HOSTILE

UNKNOWN



Landscape

COUNTRY BY COUNTRY TREATMENT ON CRYPTO TOKEN

Countries	Point of views
EU	<p>Virtual currencies do not fit the economic or legal definition of money or currency Even if the terms “virtual currency” and “virtual currency schemes” are used in this report, Eurosystem central banks (ECB) do not recognise that these concepts would belong to the world of money or currency as used in economic literature, nor is virtual currency money, currency or a currency from a legal perspective.</p> <p>As a result, analysis from the economic and legal perspectives leads to the conclusion that virtual currencies should not be bundled into the generic words of money or currency, even though their technical appearance takes a form which has some similarities to scriptural money and/or electronic money → Private currency</p> <p>→ The ECB does not see the need to amend or expand the current EU legal framework.</p> <p>Competition between: Fiat money <-> Private crypto currency <-> Central Bank Crypto Currency (ECB report Oct 17)</p>
UK	<p>Consider as private currency, no belongs to government. Treat as foreign currency.</p> <p>Xem là một loại tiền tư nhân, không phải tiền của chính phủ. Xử lý như ngoại tệ.</p>
GERMANY	<p>Consider as private currency, no belongs to government.</p> <p>Xem là một loại tiền tư nhân, không phải tiền của chính phủ.</p>
SWITZERLAND	<p>Define token based on their characteristic: token as share in a company with rewards depending on the profit of the company (i.e. dividends); token refer to payment/repayment obligations (debt token); the usage of future products, services or platforms (utility token); the periodical reward based on the success of a company in the form of revenue incl. voting/membership rights (participation rights token), as well as – more frequently – tokens... (Tax report Dec 17 by Prager Dreifuss)</p> <p>Chấp nhận và đánh giá sự tồn tại đa dạng của sản phẩm công nghệ.</p>

COUNTRY BY COUNTRY TREATMENT ON CRYPTO TOKEN

Countries	Point of views
US	Consider as asset for tax purpose. Provide guiding for control tokens: coin / user token / security token Coi tiền ảo là một loại tài sản để tính thuế / phân loại và triển khai quản lý theo Luật chứng khoán đối với các security token.
AUS	Neither currency or foreign currency nor commodity but tax treatment as barter goods. Since 1 July 2017, GST is not imposed as it is no longer considered as subject of GST. Không phải tiền tệ cũng không phải hàng hoá nhưng tính thuế theo cách của hàng hoá.
SING	recognize Bitcoins as “goods”, not a currency, and issued some guidelines (IRAS) Link Chấp nhận trao đổi “trao đổi thương mại” (barter)
HONG KONG	Consider as virtual commodities. "hàng hóa ảo" không phải là “tiền tệ”. Chấp nhận trao đổi “trao đổi thương mại” (barter)
JAPAN	defines crypto currency / token as a form of payment method, not a legally-recognized currency and continue to be treated as an asset. Phương tiện thanh toán hợp pháp
KOREA	Not a legally-recognized currency but digital value assets for exchange Công cụ trao đổi có giá trị.

COUNTRY BY COUNTRY TREATMENT ON CRYPTO TOKEN

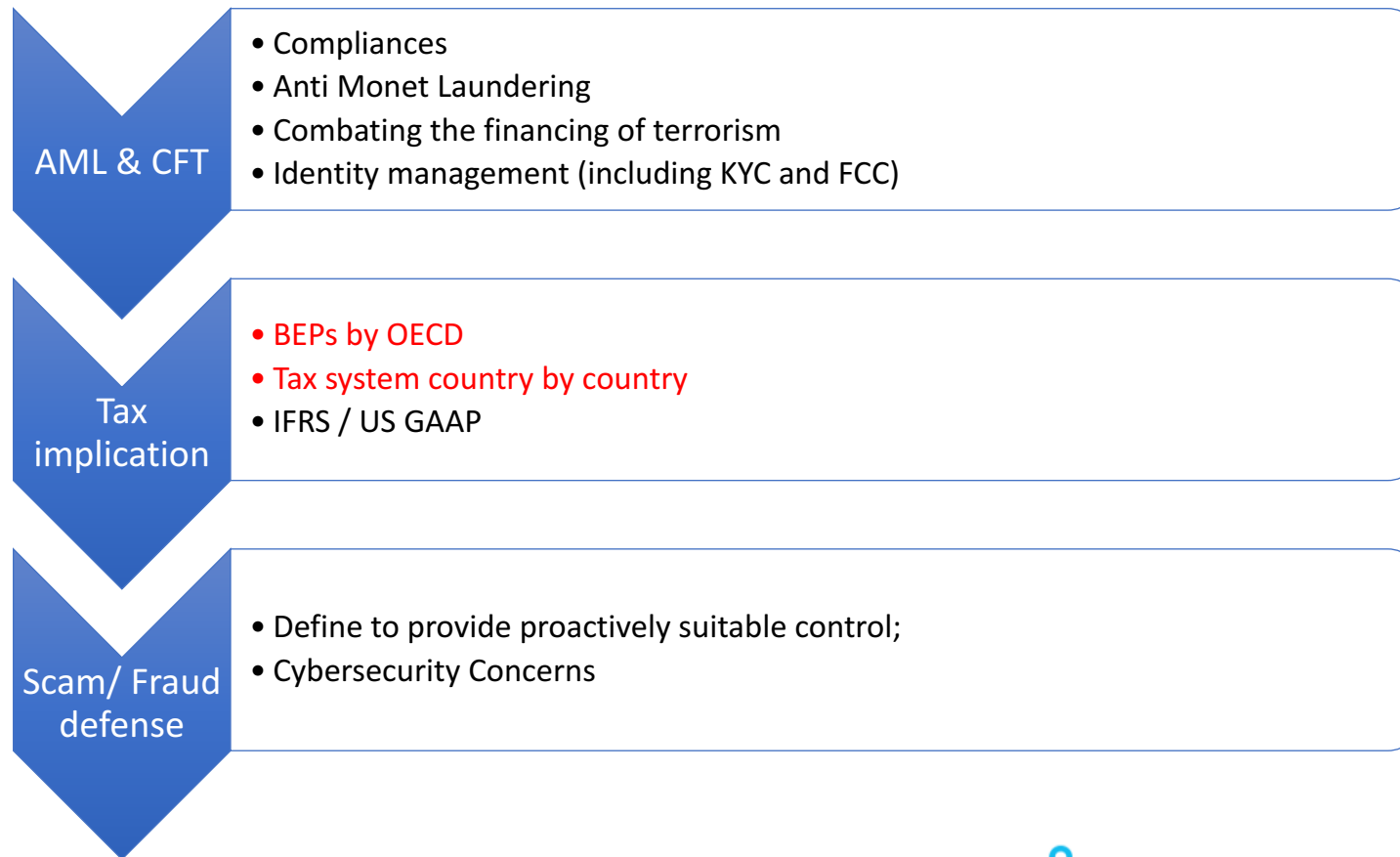
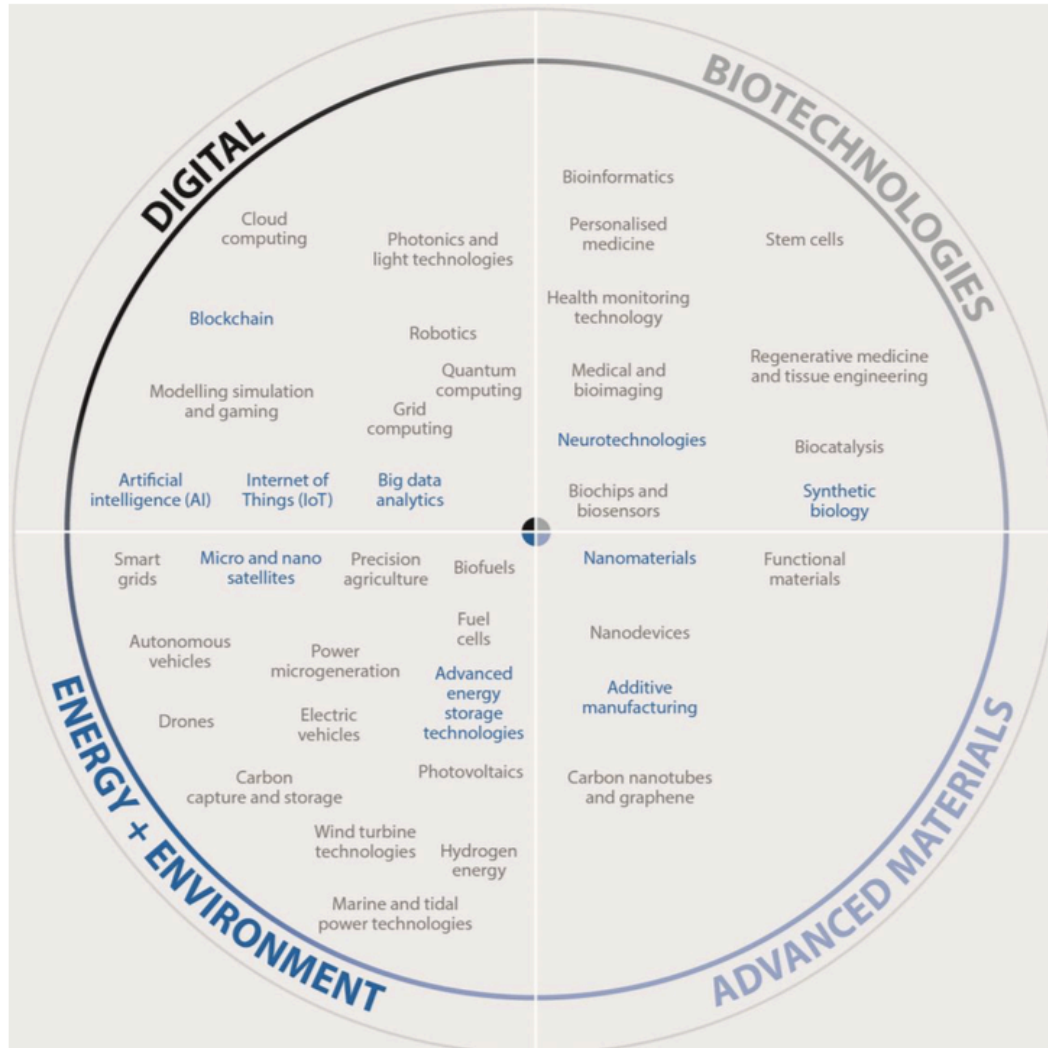


Figure 1. 40 key and emerging technologies for the future



Tax challenges of Digitalisation by OECD Oct' 17

Opportunities to improve tax administration services and compliance strategies created by digital economies. With respect to the opportunities for the tax system, it must be stressed that digitalisation is a prime opportunity to develop an improved tax system, that is less burdensome and more fair. For example, the potential of blockchain technologies should be explored in this respect.

We believe that innovations such as online tax accounts, blockchain, risk assessment, greater automation (including artificial intelligence), greater access to data and decision makers, e-payments, cashless payments, and real time working, could combine to provide taxpayers with systems that are easier to use, more visible/transparent, and more secure to interact with. It would also give tax administrations the data they need (from taxpayers or other tax administrations / stakeholders) in more accurate and more timely ways.

49. A key issue in the tax treatment of VCs is whether they should be treated as a form of (non-monetary) property, or as a form of currency.⁴⁵ Where the former position is adopted, use of a VC to purchase goods or services or for investment purposes would result in the recognition of gains or losses. The character of the gain or loss would depend on the applicable rules in the relevant jurisdiction, for example whether the property is defined to be a capital asset, the length of holding period, or the classification of a transaction as speculation. In the second case—when VCs are treated as a currency—most jurisdictions would require the recognition of foreign exchange gains or losses.

Virtual Currencies and Beyond: Initial Considerations – IMF 2016

Non-business (personal transaction)	Business			
VAT/PIT	VAT	PIT	CIT	Capital gain tax
Could be exempted	Could be exempted (EU / UK) (AUS / JP)	- Nature of transaction		
Based on country's Law	Could be double (pr-AUS / SING / pr-JP)	- Holding time: <ul style="list-style-type: none"> • Short term • Long term: could be exempted in some countries (Germany) 		
Volume of transaction	Based on legislation	- Transaction Historical		

TRANSACTION RELATED AND OCCURRED IN BLOCKCHAIN ECOSYSTEM

MINING AND VALIDATION		Mining
		Validation and verification
COMMODITY EXCHANGE / GOOD BARTER		
INVESTMENT	- SHORT TERM	Trading / Exchange Air drops
	- LONG TERM	Fiat money <- > Crypto token <-> Crypto token