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Taxation of crypto-currencies and block-chain transactions

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In 2008, a developer - known only under the pseudonym "Satoshi Nakamoto"- published the first whitepaper[1] for the crypto-currency "Bitcoin", which has proven to be a highly volatile investment for currency speculators. The first currency-token[2] is based on the blockchain - a distributed ledger technology.

On 18 September 2019, the previous German Federal Government presented its blockchain-strategy[3]. Whether the underlying technology might be "The next big thing" or the marketability is overestimated due to "empty promises of 'techies' for unsolved problems" can be hardly answered. It is certain that the research and development potential is still immense.

Due to the technical complexity there is a legislative backlog for the legal classification of blockchain-based business models. The conclusion for taxation purposes of the literature are based on the subsumption of tax-relevant processes under the German tax codes and the published publications of the German tax authorities. In the meantime German tax courts published first decisions and the Act on the Introduction of Electronic Securities has come into force.

How does the blockchain work?[4]

There is a wide range of applications for blockchain proponents, even outside of token speculation. Companies can use investment-token[5] for the participation of their employees as shareholders and utility-token[6] for financing of upcoming projects or for tracking supply chains. Due to its transparency advantage over central systems, the technology is often mentioned in combination with the digitization of registers (e.g. German transparency register, German commercial register, German land register, etc.).

The underlying distributed ledger technology is a decentral-managed database that is stored as a multiple local, identical copy at the user's. A peer-to-peer network architecture enables the data exchange between the users. A consensus mechanism is required for verification, before the database is

[1] *Nakamoto*, Bitcoin. A Peer-to-Peer Electronic Cash System.
[2] The classification of the token used in this newsletter (see chapter B. for explanation) goes back to a predominant classification in the German legal literature, which is oriented at the intended function of the token. Currency-token only function is a digital embodiment of value and they are to be accepted and used directly as a means of payment for goods or services by the participant of a transaction.
[3] Blockchain Strategy of the Federal Government – We Set Out the Course for the Token Economy.
[4] This is a shortened version. Further details can be found in *Arendt* in: Beck'sches Steuer- und Bilanzrechtslexikon, Kryptowährung.
[5] Investment-token provide their holder with a future (re)payment claim and grant an enforceable participation right in the issuer's company or a specific asset.
[6] Utility-token grant the holder a civil and enforceable right of use, distribution or delivery of a good or service offered by the issuer (usually in the future).

constantly synchronized and up-to-date for all users. The transparent architecture enables the users to access the status and history of all transactions. A transaction can be any information.

Especially in the blockchain, the data records are combined in blocks, which are linked to each other as a chain, whereby each newly attached block contains the hash, a summary and verification of the previous block - comparable to a digital fingerprint. If the content of a block changes even minimally, the hash no longer matches the information stored in the following block. This provides counterfeit protection to the whole chain.

In the blockchain, the coin/token describes the forgery-proof, digital, cryptographic registry, which might be most comparable to an analog document with inherent transferability. Miners receive token as a reward for "writing" new transactions in the next block. Regular users have a read-only access and no writing access. They pay transaction fees by token.

In summary, the central advantages of the technology are the transparency of the database and protection against manipulation of the transaction history by individual users.

How is the taxation according to the law? [7]

CURRENT LEGAL SITUATION

Currently, the German Tax Law does not provide any explicit taxation of the income from the receipt, exchange, holding or sale of coins/token or the transactions. The subsumption of these virtual items is based on traditional Tax Law. Thus, capital gains may be subject to taxation either as part of the trading income (Sec. 15 para. 1, para. 2 German Income Tax Code ("**GITC**") or as part of the income from private sales transactions (Sec. 22 no. 2, Sec. 23 para. 1 sent. 1 no. 2 GITC). The exact classification depends on the (technical) circumstances of the individual case.[8]

ACT ON THE INTRODUCTION OF ELECTRONIC SECURITIES

The Act on the Introduction of Electronic Securities ("**IESA**")[9], which came into force on 4 June 2021, enables companies to use blockchain technology for corporate financing. As in the blockchain-strategy, the IESA emphasizes that the intended regulations should be technology-neutral. Key points of the IESA are the security registers - central register of electronic securities and cryptographic paper register - as well as the protection for investors[10], after which electronic securities would be treated like things according to Sec. 90 German Civil Code.

While the central register of electronic securities would be subject to financial supervision[11], the cryptographic paper register must be kept on a decentralized, forgery-proof recording system in which data is logged chronologically and stored protected against unauthorized deletion and subsequent modification.[12] It is required that the issuer publishes the entry in the cryptographic paper register, whereby the issuer also determines the owner of the register. Neither the publication nor the notification is constitutive for the creation of the cryptographic paper.

According to the Coalition Agreement, the German Federal Government intends to extend the possibility for issuing electronic securities (provided by the IESA) to shares as well.[13]

The classification of the legal nature of the crypto-currencies made by the IESA provides not any prejudice effect for other regulations outside of the German security law.

Thus, the need for tax regulation continues.

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[7] This is a shortened version. Further details can be found in *Arendt* in: Beck'sches Steuer- und Bilanzrechtslexi-kon, Kryptowährung.

[8] It should be mentioned that the German Federal Financial Supervisory clarified on September 8th, 2020, that the public installation of an atm where crypto-currencies can be sold or purchased requires prior permission according to Sec. 32 para. 1 German Banking Act.

[9] Act on the Introduction of Electronic Securities, 3 June 2021.

[10] Sec. 2 para. 3, Sec. 12, 16, 24 et seq. IESA.

[11] Sec. 11 para. 1 IESA.

[12] Sec. 16 para. 1 IESA.

[13] Coalition Agreement 2021-2025 of SPD, Bündnis 90/ DIE GRÜNEN and FDP dated 7 December 2021: *„Digitale Finanzdienstleistungen und Währungen"*, p. 137. Furthermore, the opportunities related to blockchain technology are to be realized, risks are to be identified and an appropriate regulatory framework is to be established. The coalition parties also set the goal of a common European supervision for the crypto-sector and the obligation of crypto-asset service providers to identify the beneficial owners consistently.

How is the taxation from the point of view of the German Tax Authorities?

VAT TREATMENT OF VIRTUAL CURRENCIES

In a letter dated 27 February 2018[14], the German Federal Ministry of Finance ("**BMF**") complied with the decision of the European Court of Justice ("**ECJ**")[15] and outlined its understanding with regard to the VAT treatment of virtual currencies. As the transactions are comparable to a conventional currency exchange, the exchange of a conventional FIAT currency[16] into currency-tokens and vice versa are VAT exempt under Sec. 4 no. 8 lit. b VAT Act which must be interpreted in accordance with the VAT Directive. However, the VAT exemption does not apply to virtual play money (so-called game currencies or in-game currencies, especially in online games), as these currencies do not constitute a means of payment within the meaning of the VAT Directive. The transfer of currency tokens for the mere payment of a fee is not subject to VAT, as the use of currency tokens is equivalent to the use of conventional means of payment, insofar as it does not serve any other purpose than that of a pure means of payment. With regard to the VAT treatment of mining, the services provided by the miners are not subject to VAT due to the lack of a concrete exchange of services.

INCOME TAX TREATMENT OF VIRTUAL CURRENCIES

On 17 June 2021, the BMF published a draft of a BMF letter regarding individual questions on the income tax treatment of virtual currencies and tokens.[17] Since the publication of the draft, there has been an eager wait for the publication of the final letter which has already been expected at the beginning of 2022. The draft only covers developments up to the end of 2019; it does not yet address more recent developments such as the tax treatment of so-called Non-Fungible Tokens ("**NFT**")[18].

In the opinion of the BMF mining is an acquisition process which, depending on the individual case, could be qualified as trading income (*gewerbliche Einkünfte*) or income from asset management (*Vermögensverwaltung*). In addition to the virtual tokens received for the block creation, the transaction fee and the fee received from an operator of a mining pool for the computing power provided are also qualified as income. With regard to the distinction between business income and income from asset management, mining should likely be qualified as trading income if the taxpayer operates on a sustained basis for his own account and bears the entrepreneurial risk. The participation in the general economic traffic is given by the providing of the computing power to the network participants. However, it is irrelevant that the miner only receives a fee if a block is successfully created. Due to the high acquisition costs for the hardware and the high energy costs inevitably associated with the use of the hardware, mining should be qualified as trading income although this presumption can be challenged if there is no intention to make a profit.

In individual cases, an activity could be qualified as mere asset management if the activity still represents the use of assets in the sense of collecting the benefits from intrinsic values to be preserved and the utilization of substantial assets through restructuring does not decisively become prominent.[19]

The distinction principles should also apply to the tax treatment of a mining pool. Depending on the contractual arrangement, a mining pool could also be qualified as a co-entrepreneurship. In any case the operator of the mining pool only serves as a coordinator and does not bear the entrepreneurial risk alone. If the individual miners merely provide the operator with computing power in return for a payment, this should not be sufficient for a co-entrepreneurship.

If the requirements of a trading income are not met, the income from mining should be subject to so called other income (*sonstige Einkünfte*) according to Sec. 22 no. 3 GITC.

The BMF considers coins/token held as business assets to be non-depreciable assets that are to be allocated to fixed or current assets in accordance with the general principles of balance sheet tax law.

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[14] BMF-letter dated 27 February 2018 – III C 3 - S 7160-b/13/10001.
[15] ECJ-decision dated 22 October 2015 – C-264/14, Hedqvist.
[16] FIAT currency respectively FIAT money refers to an object with no intrinsic value that serves as a means of exchange and is usually subject to state regulation.
[17] Draft of a BMF letter dated 17 June 2021 with general explanations of the terms virtual currency, token, blockchain and mining among others.
[18] NFTs are traded as digital certificates of authenticity for digital goods, especially in the art scene.
[19] R 15.7 EStR 2012.

Coins/token held as private assets are "other assets" within the meaning of Sec. 23 para. 1 sent. 1 no. 2 GITC. The market price for virtual currencies that can be determined and independently valued via stock exchanges, trading platforms and lists, represents a financial benefit for which the purchaser makes a payment. Profits from the sale of coins/token held as private assets are income from private sales transactions (*private Veräußerungsgeschäfte*) within the meaning of Sec. 22 no. 2, Sec. 23 para. 1 sent. 1 no. 2 GITC, if the period between acquisition and sale is less than one year. The BMF considers that the selling period (*Veräußerungsfrist*) should be extended from one to ten years if, for example, the coins/tokens are provided for consideration in the context of lending, as in this case the virtual currency is used as a source of income within the meaning of Sec. 23 para. 1 sent. 4 GITC. For reasons of simplification, the acquisition and selling date resulting from the wallet should be decisive for determining the selling period. If the contractual transaction is to be decisive for the selling period, the taxpayer must prove the time of the conclusion of the contract by means of suitable documents. If the sum of the profit realized from all private sales transactions is less than EUR 600 in a calendar year, the profit realized from the sale of the coins/tokens is tax-exempt.

The BMF draft letter clarifies that also an exchange transaction between different virtual currencies (just as the exchange transaction of units of a virtual currency into units of a state currency) leads to a sales transaction within the meaning of Sec. 23 para. 1 sent. 1 no. 2 GITC and that the profit resulting from such exchange transactions is also subject to tax upon sale under the requirements of Sec. 23 para. 1 sent. 1 no. 2 GITC. In addition, the selling period under Sec. 23 para. 1 sent. 1 no. 2 GITC starts again from the beginning after each exchange.

What follows from the current case law?

Currently, there is (still) no case law on the taxation of profits from the sale of virtual currencies by the German Federal Court of Finance ("**BFH**"). With regard to the decision of the Cologne Tax Court the plaintiff has in the meantime withdrawn the appeal originally filed against this decision before the BFH.

COLOGNE TAX COURT[20]: PROFITS FROM THE SALE OF CRYPTO-CURRENCIES ARE SUBJECT TO INCOME TAX

The facts on which the decision was based were as follows: The taxpayer acquired Bitcoins valued at approximately EUR 20,000 via a trading platform in the years 2014 to 2016. In the year in dispute 2017, he exchanged the Bitcoins through numerous transactions on various trading platforms first into Ethereum and Monero and then back into Bitcoin, He thereby generated a profit in the amount of EUR 3,441,261.70, which he declared as income from private sales transactions in his income tax return (Sec. 22 no. 2, Sec. 23 para. 1 sent. 1 no. 2 GITC). The taxpayer did not engage in mining. The tax office assessed the income tax for 2017 in accordance with the declaration – initially subject to a conditional review, which the tax office revoked at the beginning of 2019 by means of a subsequent assessment. After an unsuccessful appeal, the taxpayer claimed against the subsequent decision before the Cologne Tax Court. He argued that there was neither an (unchanged) asset nor had such an asset been sold, which is why there was also no private sales transaction. Even if the capital gains from exchange transactions with crypto assets are qualified as private sales transactions, the taxation is unconstitutional due to the structural enforcement deficit as well as due to a violation of the principle of certainty.

The Cologne Tax Court granted the claim only insofar as the profit in the amount of EUR 2,419.78 realized from an exchange of Bitcoins into Ethereum could not be determined within the sales period of Sec. 23 para. 1 sent. 1 no. 2 GITC. In all other matters the Cologne Tax Court rejected the claim as unfounded.

CRYPTO-ASSETS ARE SO-CALLED "OTHER BUSINESS ASSETS"

The Cologne Tax Court confirmed the view of the tax authorities and assessed the sales profits from the exchange transactions as taxable income from private sales transactions. The crypto-assets Bitcoin, Ethereum and Monero traded by the taxpayer are qualified as assets within the meaning of Sec. 23 para. 1 sent. 1 no. 2 GITC. According to the

[20]Cologne Tax Court, decision dated 25 November 2021 – 14 K 1178-20.

established case law of the BFH, the term "asset" in income tax law is to be interpreted broadly[21] and on the basis of an economic approach.[22] At the respective reporting date, there must be an economically beneficial asset that can be considered a realizable asset.[23] In the opinion of the Cologne Tax Court crypto-assets provide concrete opportunities and advantages in legal transactions. A certain value can and is attributed to them due to the demand on trading platforms. Whoever acquires crypto-assets receives clearly defined opportunities for profit in return for the services rendered, even if their realizability is subject to risk due to a possible price decline. In the same way, due to price increases, there is the possibility to resell the crypto-assets at a profit. If payments are made for the acquisition of the opportunity to profit, the opportunity to profit appears as a business asset. Contrary to the taxpayer's view, crypto-transactions are not to be compared to pure gambling. In the case of gambling the opportunity to win is lost at the end of the game in accordance with the rules of the game. For crypto-transactions, on the other side, there are established markets, which enable the achievement of economic benefits through commercial trading. Unlike stakes in gambling crypto-assets do not expire due to expiry of time or due to speculation. For business assets, crypto-assets also have sufficient transferability, irrespective of civil law transfer options. According to the case law of the BFH, it is necessary and sufficient that legal transactions have found ways of transferring crypto-assets to a third party in return for payment via trading platforms and thereby realizing them economically.[24]

CRYPTO-ASSETS ARE ECONOMICALLY ATTRIBUTABLE TO THE TAXPAYER

Contrary to the taxpayer's view, the classification of crypto-assets as business assets does not depend on the determination of who is the owner of the crypto-assets under civil law. Instead, the attribution of (legal or economic) ownership under Sec. 39 German Tax Code is a legal consequence of the being a business asset, not a requirement for it. The Cologne Tax Court has not decided who is the legal owner of crypto-assets. In any case, economic ownership is attributable to the taxpayer pursuant to Sec. 39 para. 2 German Tax Code.

NO STRUCTURAL ENFORCEMENT DEFICIT AND NO VIOLATION OF THE PRINCIPLE OF CERTAINTY

The taxation of crypto-currency pursuant to Sec. 23 para. 1 sent. 1 no. 2 GITC does not constitute an enforcement deficit that leads to taxation that is contrary to equality or otherwise in violation of the law. The fact of anonymous sale between the contracting parties is not sufficient for this purpose. Tax deficits in the trading of crypto-assets are based on factual difficulties of tax control. Deficits in enforcement are not sufficient in themselves to establish the unconstitutionality of a legal provision. Furthermore, there are certain control options and identifications can be made, among other things, by means of collective information requests from the tax investigation department to trading platforms, so that there is no total anonymity. It is also conceiveable to retrospectively read the blockchain and to identify the persons behind the transactions. The assessment period of ten years in the case of tax evasion bears the risk for the taxpayer of still being identified within a very long period of time (Sec. 169 para. 2 sent. 2 German Tax Code).

BERLIN-BRANDENBURG TAX COURT[25]: PRIVATE SALES TRANSACTIONS

The Berlin-Brandenburg Tax Court had to decide whether there were serious doubts to the legality of the German income tax assessment for a suspension of enforcement (Sec. 69 para. 3, para. 2 German Tax Court Regulations). The tax authority had qualified the income from the purchase (or exchange) of Ethereum with Bitcoin as income from private sales transactions (Sec. 22 no. 2, Sec. 23 para. 1 sent. 1 no. 2 GITC).

The taxpayer countered this by explaining the technical processes and referring to the above-mentioned whitepaper by stating that the income had not been generated by acquisition and sale. He was not entitled to any enforceable rights of economic value, so that it was not a matter of “other business assets” within the meaning of the regulation. The

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[21] BFH, decision dated 2 March1970 – GrS 1/69, BStBl. II 1970, 382 under 2; BFH, decision dated 8 April 1992 – XI R 34/88, BStBl. 1992, 893 under II.2.a).

[22] BFH, decision dated 14 March 2006 – I R 109/04, BFH/NV 2006, 1812 under II.1.b).

[23] BFH, decision dated 9 July 1986 – I R 218/82, BStBl. II, 1987, 14, under 1; BFH, decision dated 26 November 2014 – X R 20/12, BStBl. II 2015, 325 under II.2.a).

[24] Cf. BFH in BStBl. II 1992, 977 re the internet domain; in BStBl. II 2020, 2 re the commercializable part of the right to a name.

[25] Berlin-Brandenburg Tax Court, decision dated 20 June 2019 -13 V 13100/19.

Berlin Court of Appeal[26] has determined - in a criminal proceeding - that Bitcoin is not an accounting unit. The taxation is unconstitutional because of a structural enforcement deficit and leads to discrimination against German citizens.

The tax authority pointed out that the German Federal Financial Supervisory Authority[27] had qualified Bitcoins as an accounting unit and financial instrument within the meaning of Sec. 1 para. 11 German Banking Act, so that the principles of foreign currency transactions were applicable.

The Berlin-Brandenburg Tax Court rejected the taxpayer's application because it had no serious doubts about the taxation. Considering the literature opinion, it classified Bitcoin as tax-entangled, private assets that would be accepted as payments in business use. A detailed examination of the technical processes would be reserved for the principle proceeding - if it needs to be recognized at all with regard to the common definition of assets.

In the reasons, the Berlin-Brandenburg Tax Court refers always to the crypto-currency Bitcoin, whereby the case concerned Ethereum. It seems questionable whether the difference[28] between these two crypto-currencies was not clearly consciously present to the Berlin-Brandenburg Tax Court or it was irrelevant for taxation according to its legal opinion.

NUREMBERG TAX COURT[29]: DOUBTS ABOUT THE OPINION OF THE GERMAN TAX AUTHORITIES

The taxpayer had explained profits from the purchase and sales of various different crypto-currencies first - essentially no Bitcoins. Later, he explained trades in connection with a hacker attack, so that a loss had been obtained.

In his opinion, there was no special legal basis to authorize the taxation and referred to the proceedings at the Baden-Wuerttemberg Tax Court[30], which had been admitted for revision - and in between completed[31] - and which had casually doubted the tax liability. There was a structural enforcement deficit, as the tax authority depends on the voluntary information provided by taxpayers. A classification of crypto-currencies as “other business assets” would also be opposed by the extreme volatility.

The Nuremberg Tax Court objected that the tax authority did not understand the technical processes and the determination of the acquisition costs. Thus, they did not determine the relevant facts according to Sec. 88 German Tax Code. The tax authority is responsible to determine the taxable situation, which increases the tax load of the taxpayer. This applies in particular to factually and legally complex evaluations.

The Nuremberg Tax Court explained that the existing tax regulations are sufficient in order to judge the taxation of business transactions with a crypto-currency. The Nuremberg Tax Court was unable to follow the remarks of the Berlin-Brandenburg Tax Court, although it clearly states that the Berlin-Brandenburg Tax Court did not deal with the differences between Bitcoin and Ethereum in a sufficient depth.

What can be expected in the near future?

It remains to be seen whether the blockchain-strategy will lead to a legislative adjustment of Sec. 23 para. 1 sent. 1 no. 2 GITC. The Blockchain Bundesverband e.V. has already made suggestions[32], which derive the tax valuation differences based on the claim connected with a coin/token in the sense Sec. 194 para. 1 German Civil Code.

A final draft of the European Commission for a regulation on markets in crypto-assets (“**MiCA**”) is also

[26] Berlin Court of Appeal, decision 25 September 2018 - (4) 161 Ss 28/18 (35/18).

[27] BaFin, guidance on financial instruments pursuant to Sec. 1 para. 11 sentences 1 to 5 German Banking Act (shares, investments, debt instruments, other rights, shares in investment funds, financial market instruments, foreign exchange, units of account, emission certificates and crypto-assets) dated 20 December 2011, note 2 lit. b) gg).

[28] Both are based on a cryptographically encrypted blockchain. Bitcoin was conceived as a currency and intends to establish itself alongside the value carriers - such as FIAT currencies or gold. Ethereum also offers the basis for concluding Smart Contracts and is able to distribute virtual shares or membership certificates. Distributed apps, which are designed to simplify contract negotiations, and decentralized autonomous organizations can also be developed. These are digital, democratic companies without managers and a coded, unchangeable set of rules and regulations that serve the swarm intelligence of their users. While a Bitcoin transaction should take about ten minutes, the Ethereum network needs only twelve seconds. By the conversion to the proof-of-stake consensus procedure the energy consumption should be minimized.

[29] Nuremberg Tax Court, decision dated 8 April 2020 - 3 V 1239/19.

[30] Baden-Wuerttemberg Tax Court, decision dated 2 March 2018 - 5 K 2508/17.

[31] BFH, decision dated 29 October 2019 – IX R 10/18: The BFH concluded that the profit resulting from the sale of tickets for a champions league football final game represents a private sale transaction, as it is not a security in the matter of tax law.

[32] Paper of the Blockchain Bundesverband e.V. – tax working group.

in prospect. The MiCA-regulation deals with currency-token and utility-token and is therefore in the area of the German eWpG. During the votes on the final draft of the MiCA-regulation, the European Parliament voted against a ban on the energy-intensive consensus and protection method ("Proof of Work method"), which would have prohibited member states from mining crypto-currencies such as Bitcoin and Minero.[33] Due to the high energy consumption of crypto-currencies, the committee rapporteur Stefan Berger (CDU) had proposed to include crypto-assets in the scope of the Taxonomy Regulation just like all other financial products.[34]

In addition, the OECD has published a draft[35] of a legal framework for the international exchange of tax-relevant data on crypto assets (“Crypto-Asset Reporting Framework”).

With a view to other countries, the next developments on crypto-currencies remain exciting. For example, El Salvador and Venezuela have recognized bitcoin as a means of government payment, while Egypt, Iraq, Qatar, Oman, Morocco, Algeria, Tunisia, Bangladesh and China have imposed an absolute crypto ban.[36]

In Austria, sales profits from crypto-currencies of individual persons will be taxed as capital income in the future. The law came into force on 1 March 2022 and applies with retroactive effect to acquisition transactions made after 28 February 2021.

The evaluation of the now recently available final BMF-letter on the income tax treatment of crypto-currencies remains subject to an update of this newsletter, in particular whether sales profits will also be taxed as capital income in Germany in the future.

Can we support you?

The challenges of a blockchain structure as a vehicle for corporate and real-estate financing or participation are technically demanding and complex in terms of financial, data Protection and tax law. If you require an interdisciplinary legal assessment of your whitepaper, please contact our team.

If you already explained income from the crypto-currencies trades in your income tax declaration, it is recommended to keep the validity of the Income tax assessments open by redresses. We will be pleased to support you in tax authority and tax court proceedings.

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[33] Currently, Ethereum's method is also still based on the Proof of Work method. Ethereum wants to switch to the Proof of Stake method by mid-2022.

[34] Plans to ban Bitcoin by EU Parliament off the table for now (beck.de); last accessed 31 March 2022. The EU Taxonomy Regulation defines standards for sustainable investment of public and private financial flows and is intended to create a contribution to the European Green Deal.

[35] Draft of the “Crypto-Asset Reporting Framework – https://www.oecd.org/tax/exchange-of-tax-information/oecd-seeks-input-on-newtax-transparency-framework-for-crypto-assets-and-amendments-to-the-common-reportingstandard.htm; last accessed 25 April 2022. The Crypto-Asset Reporting Framework aims to agree on a standard that defines the exchange of information, the entities affected by it, and the due diligence obligations to be observed between participating states and territories.

[36] Crypto ban: number of countries almost tripled in three years - CoinPro.ch; last accessed 31 March 2022.