

## THE RATIONALE BEHIND CRYPTOCURRENCY TAXATION AND GLOBAL TRENDS<sup>1</sup>

### РАЗЛОЗИ ЗА ОПОРЕЗИВАЊЕ КРИПТОВАЛУТА И ГЛОБАЛНИ ТРЕНДОВИ

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**Abstract:** This conference paper examines the rationale behind taxing cryptocurrency operations and the current regulatory frameworks governing them. As the significance and value of crypto-assets rose and became a crucial potential investment, embraced by numerous investors, the importance of their typologization, classification, and definition has also increased. Crypto-assets were initially issued as currency, a term often used to describe this concept, and, therefore, serve as a medium of exchange or a digital payment method. However, with time, they have increasingly evolved into speculative investment assets. Bitcoin, first introduced in 2008 as a response to financial crises, is a classic example of speculative investment. Given the potential returns on the sale of cryptocurrencies and the lack of regulation in this area, particularly in comparison with traditional financial instruments such as shares, the taxation of cryptocurrencies is a key issue for existing and potential investors, regulators, and governments worldwide. The transformation of cryptocurrencies into crypto-assets raises a few critical questions: (1) why should crypto-assets be taxed, and (2) which are already established global platforms for crypto taxation. International recommendations concerning what aspects of crypto activity should be taxed—and how—are crucial for enhancing transparency in crypto markets and curbing potential misuse. Moreover, the lack of clarity in terminology and substance continues to create confusion, which this article aims to address.


**Keywords:** taxation, cryptocurrency, crypto-asset, trend.

**Сажетак:** Овај конференцијски рад бави се темом опорезивања операција са криптовалутама и образлаже тренутне регулаторне оквири који их регулишу. Како су значај и вредност крипто-имовине расли и постали кључна потенцијална инвестиција, коју су прихватили бројни инвеститори, порастао је и значај њихове типологизације, класификације и дефиниције. Крипто-имовина првобитно је издата као валута, термин који се често користи за описивање овог концепта, и стога служи као средство размене или дигитални начин плаћања. Међутим,

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временом се све више развијала у спекулативну инвестициону имовину. Биткоин, први пут представљен 2008. године као одговор на финансијске кризе, класичан је пример спекулативне инвестиције. С обзиром на потенцијалне приносе од продаје криптовалута и недостатак регулације у овој области, посебно у поређењу са традиционалним финансијским инструментима, као што су акције, опорезивање криптовалута је кључно питање за постојеће и потенцијалне инвеститоре, регулаторе и владе широм света. Трансформација криптовалута у крипто-имовину поставља неколико критичних питања: (1) зашто би крипто-имовина требало да се опорезује и (2) које су већ успостављене глобалне платформе за опорезивање криптовалута. Међународне препоруке о томе који аспекти крипто активности треба опорезовати – и како – кључне су за повећање транспарентности на крипто тржиштима и сузбијање потенцијалне злоупотребе. Штавише, недостатак јасноће у терминологији и суштини и даље ствара забуну, чиме овај чланак има за циљ да се позабави.

**Кључне речи:** опорезивање, криптовалута, крипто-имовина, тренд.

**JEL classification:** G00, H20, M40.

## INTRODUCTION

This article discusses the taxation of cryptocurrency operations. The cryptocurrency ecosystem, although still relatively new, has already shaken the financial world in unforeseen ways. Given the potential returns on the sale of crypto-assets and the lack of regulation in this area, particularly in comparison with conventional financial instruments such as shares, interest or derivatives, the taxation of these assets is a key issue for existing and potential investors, regulators, and countries worldwide. Therefore, the primary reason for this can be found in the complexity of this area. The crypto ecosystem is highly (over)complicated, (per)complex, and constantly changing, and each transaction can have unique potential tax implications.

The crypto story began in 1996 with the founding of the company E-gold and some other short-term cyber events (Law, Sabetr & Solinas, 1996; Kraus, 2017), but it was really with Bitcoin, invented by Nakamoto (2008). Bitcoin was designed as a highly reliable cryptocurrency. It shall be a more stable alternative by eliminating the need for a financial intermediary and allowing customers to conduct transactions directly. This solution addresses numerous problems caused by the traditional monetary and financial system, which has been devastated by global financial crises. The goal of blockchain technology is to use encryption techniques to ensure the reliability of transactions and control over the money issued.

The primary advantage of using Bitcoin is that transactions are conducted without restrictions or fixed rules, making it difficult to trace the origin or any other information about the buyer and/or seller (Maulana,

Dasa Putri & Yulia, 2019). The Bitcoin Society of Slovenia (Bitcoin društvo Slovenije, 2025) defines it as an innovative payment network and a new type of money. From a user's perspective, it is, in their opinion, internet cash. In reality (Wolla, 2018), it is more of an investment alternative than a means of payment. However, the distinction between money and financial assets is not always clear (see Matkovskyy, Jalan & Dowling, 2020). Therefore, it is a crypto asset or digital asset (IRS, 2025), and as such, is taxable like many other assets and their associated operations. CARF (Deloitte, 2025) considers crypto-assets to be any digital representation of value, based on cryptographically secured distributed ledger technology. The term covers stablecoins, derivatives issued in the form of a crypto-asset, and certain non-fungible tokens (NFTs).

European Parliament (2024) emphasises that the cryptocurrency sector revolutionised the world of payments and investment. The fast-changing, growth, and mobile nature of the sector challenges tax authorities, which are often unable to track the capital gains made from trading crypto-assets. The origin of cryptocurrencies plays a significant role here (Böhme et al., 2015), as they were designed and established by engineers and technical professionals, i.e., without any apparent influence from lawyers or regulators. Regulating and consequently taxing something that was not established in accordance with economic logic is therefore almost mission impossible.

In this article, we limit the research within the scope of research questions, deriving from the fact that *“fast-changing, mobile nature of the sector and its growing market prominence poses challenges, however, for tax authorities, which are not always able to track the capital gains made from trading crypto-assets”* (European Parliament, 2024). Those are: (1) why should crypto-assets be taxed, and (2) which established international initiatives for crypto taxation already exist? Content-wise, we discuss the rationale behind crypto taxation and three leading international solutions to taxation in this field. Limitation also arises from the use and definition of the term “crypto-assets operations”, which is implemented here in the broadest sense, encompassing various activities and transactions made in crypto-assets.

Globally, the Organisation for Economic Co-operation and Development (OECD, 2023) has published a document entitled International Standards for Automatic Exchange of Information in Tax Matters: Crypto-Asset Reporting Framework and Update to the Common Reporting Standard in 2023 (CARF). In the European Union (EU), there are two pieces of legislation that offer taxation solutions for crypto-assets: The Markets in Crypto-Assets Regulation (MiCA, MiCAR) and the Directive on Administrative Cooperation in the field of taxation (DAC8

Directive amendment). The national origin of these acts is also a geographical limitation in our research. Notably, we initiated the research in 2022, coinciding with the introduction of CARF, the first OECD initiative for uniform taxation of crypto-assets, which was established under a mandate set by the G20 in April 2021 (OECD, 2023a).

The features of cryptocurrency evoke numerous doubts on meeting the economic definition of currency (Raskin & Yermack, 2018). Based on this, our primary assumption is that the term “cryptocurrency” is not suitable for use in tax terminology, as it implies that cryptocurrencies are merely currencies and operations involving them are not taxed, since they are treated in the same manner as any other currency. Instead, we use the term "crypto asset," which has been adopted by the latest regulatory frameworks and legislative proposals, as well as by the proposal for a new Slovenian law in this field (Ministrstvo za finance Republike Slovenije, 2025). The Slovenian government confirmed the above-mentioned proposal on July 17, 2025. However, the parliamentary procedure has not been carried out yet (Ministrstvo za finance Republike Slovenije, 2025b).

The American tax authority has used the term "digital asset" (IRS, 2025). Crypto-assets are neither currencies nor money (Banka Slovenije, 2018), and as such, they cannot be defined as foreign currency or foreign exchange (Banka Slovenije, 2018). Crypto-assets, defined by EU Regulation 2023/1114 (2023, p. 40), are “*a digital representation of value or rights that could significantly benefit market participants, including small holders of crypto-assets*”. Hence, in this paper, we use the term "crypto" to refer to various crypto items or crypto forms. When discussing various aspects of taxation, we refer to the taxation of operations involving crypto-assets. The latter enables us to understand the existing and potential future taxation of crypto-assets as broadly as possible, and to consider it from various perspectives and activities related to the crypto ecosystem. Existing Slovenian legislation, for example, uses the term virtual currency (FURS, 2022). Incidentally, cryptocurrency is a term that the crypto community persistently uses (see Bitcoin društvo Slovenije, 2025), as it emphasises the characteristics of money and argues for the non-taxation of crypto-assets and their disposal as investments.

This paper has the following structure. Following the introduction, an overview of the reasons for cryptotaxation is provided, emphasising the public finance benefit, tax transparency issues, and the fair taxation viewpoint. A presentation of international/global legal frameworks follows this. In the conclusion, we address the research question and outline possible future research directions.

## **1. THE RATIONALE BEHIND CRYPTOTAXATION**

When defining the reasons for justifying the taxation of crypto asset operations, we can stipulate that crypto asset should be taxed for several economic (public budget revenue generation, diminishing possibilities for tax evasion, supporting and ensuring market stability), legal (tax compliance, transparency, equal and clear rules), and policy reasons (ability to adopt to growing market, crypto-assesses variations an reacting quickly, fair treatment of various types of investments regarding taxation, and environmental issues). Behind the idea of taxation lies an aim to ensure fairness, generate revenue, and maintain regulatory integrity.

The key argument, which relies on the fact that cryptocurrencies are not primarily used as a means of payment, is at the forefront of discussions regarding the taxation of crypto operations in various legislative jurisdictions. Cryptocurrencies, especially Bitcoin, which has the largest market capitalisation on the crypto exchange, have become one of the most lucrative, as well as volatile, financial investments (Caginalp & Caginalp, 2018; Almeida & Gonçalves, 2022). Increased interest in cryptocurrencies is therefore boosting their exchange rate against currencies. On October 12, 2009, Martti Malmi, a Finnish developer who assisted Satoshi in developing Bitcoin, sold 5,050 Bitcoins for \$5.02, equivalent to \$0.0009 per Bitcoin. The historical high of \$126,023 was reached on October 6, 2025 (Reed & Benifield, 2025), and its volatility is clearly visible in graphs for different time periods (more at Coinmarketcap.com, 2025; Reed & Benifield, 2025). Today, there are more than 21,000 cryptocurrencies with different functions and use cases, which, despite their large number and different categorisations, can generally be divided into two categories: coins and tokens. The boom was driven by the ease of creating new cryptocurrencies, along with the possibility of realising new ideas and creating financial opportunities (BitDegree.org, 2025).

Tax treatment of crypto-assets varies significantly from country to country. Such a state of affairs minimally enables tax optimisation and arbitrage, if not evasion, which arises from the global nature of crypto assets (Drakopoulos et al., 2021). Therefore, policymakers must support and implement cross-border coordination to minimise the regulatory arbitrage risks and ensure adequate supervision and enforcement. According to CoinCub.com (2024), the average tax rate for individuals holding crypto-assets is approximately 11.12% for long-term and 17.3% for short-term gains from cryptocurrencies. Denmark, Iceland, and Ireland lead the way in terms of tax rates for both maturities, with tax rates ranging from 33% to 46.5%.

Capital gains linked to other, classic, financial instruments (especially shares, derivatives, and bank deposits) are taxed; therefore, it would be only fair, and in fact non-discriminatory to all types of investors, to tax crypto operations, especially the disposal of cryptocurrencies.

Often, tax authorities generally struggle in this field. The lagging behind in the area of taxation of diversified cryptocurrency operations and the postponement of the implementation of new regulations on cryptocurrency reporting can be found primarily in the complexity of the area, the challenges associated with regulating technology, not only relatively new, but also rapidly changing, and indirectly the issue of tax control (IRS, 2024). Thus, cryptocurrencies and blockchain technology present unique challenges in terms of valuation, transaction tracking, and identification of parties involved in operations.

When it comes to the taxation of cryptocurrency operations, it is essential to recognise that individual countries or jurisdictions may have distinct legal regulations, as their views on taxation and regulation in this area vary. Yalaman and Yildirim (2019) base the taxation starting point on the definition of cryptocurrencies in individual countries - cryptocurrencies can be treated as a means of payment, a currency, or as property/asset. Additionally, the aspect of cryptocurrency mining and whether it is considered an activity is also important. There is no consensus among individual countries on the framework for taxing cryptocurrencies. On the other hand, most of them are, of course, exploring the taxation and regulation possibilities within their own jurisdiction. Many authors (for example, Kethineni & Cao, 2020; Matkovskyy et al., 2020; Bhullar et al., 2025) conclude that differences in cryptocurrency taxation across countries potentially lead to tax arbitrage, tax evasion, transaction risks, and market uncertainty.

In addition to the above-defined key arguments for crypto taxation, we consider other factors that justify taxing various aspects of cryptocurrency trading. In the following paragraphs, we discuss the selected economic, legal, and policy reasons already listed above.

**Economic/financial reasons** for taxing crypto operations include generating public revenue, reducing the likelihood of tax evasion and illegal activities, and fostering market and financial stability. Taxing cryptocurrency operations can mean *significant state revenue* (CryptoTaxAudit, 2024). The Global Initiative for Fiscal Transparency (2022; GIFT) emphasises that government efforts in regulating and taxing crypto operations could help close the gap in tax revenue lost. Cryptocurrencies can be used for large cross-border transactions that are difficult to trace and track. Taxation helps to ensure that these transactions are reported and monitored, *reducing the risk of illegal activities* (IRS,

2024). Some authors (Drakopoulos et al., 2021; Guo & Zhang, 2024) therefore discuss the link between the taxation of cryptocurrency operations and *market stability*, as a more stable and predictable tax environment reduces the uncertainties and risks associated with crypto operations. The Financial Stability Board (2022) reports that direct links between crypto-assets and systemically important financial institutions have been somewhat limited to date. However, institutional involvement in crypto-asset markets has grown significantly over the last year, and this is likely to have implications for global *financial stability*.

**Legal/regulatory reasons** for taxing crypto operations include implementing tax compliance, transparency, and equal and clear rules for all taxpayers. The US Internal Revenue Service (IRS, 2024; IRS) points out that treating cryptocurrencies as property/assets has laid the groundwork for more detailed *tax compliance requirements*. As the cryptocurrency market has expanded and diversified over the years, tax authorities have needed to establish more reliable reporting mechanisms. This is not only to ensure compliance but also to keep pace with the rapid development and growth of cryptocurrency assets and their increasing use in various financial transactions. Tax compliance is challenging because crypto markets are decentralised, pseudo-anonymous, and borderless (see Maddox, Singh, Horst & Adamson, 2016). Failing to understand the rules and disregarding tax obligations for crypto operations can be costly, as fines, audits, and even criminal charges for intentional tax evasion may be imposed (GIFT, 2022). Drakopoulos, Natalucci and Papageorgiou (2021) argue that (pseudo) anonymity of crypto-assets creates data gaps for regulators and can inadvertently foster money laundering, as well as terrorist financing. The tax authorities may be able to trace illicit transactions, but in many cases, they are unable to identify the parties to such transactions. *Cryptocurrency taxation transparency*, similar to tax transparency in general (GIFT, 2022), refers to “*the structured visibility and traceability of crypto-asset transactions for tax authorities, enabling governments to monitor, assess, and enforce tax obligations on digital asset activities*”. It is all about the disclosure and publication of quantitative and qualitative data about the tax system. This process provides the information necessary to ensure that a tax system operates in the best interest of all. The latter shall secure the *equal and clear rules for all taxpayers*. Key elements of such a tax system are the building blocks of the global tax level field framework, which is discussed further on in this paper.

**Policy reasons** in the field of taxing cryptocurrency operations lie within the narrative for tax authorities, regulators, and supervisors to develop the *ability to adapt to a growing market, variations in crypto-assets, and react quickly*. Drakopoulos, Natalucci and Papageorgiou (2021)

emphasise that policymakers need to be able to monitor rapid developments and risks deriving from data gaps. National regulators should also prioritise the implementation of existing global standards. There is another angle that has to be considered. Namely, taxing crypto operations has to encompass *fair treatment* of various types of investments regarding taxation and environmental issues caused by the crypto mining process. Huffman & Waters (2025) for the US note that, just like with stocks, taxes on crypto gains apply to realised profits. The difference in tax rates may occur regarding the term of investment; in most cases, short-term capital gains are taxed at the normal income tax rate. Crypto investors may also encounter a second tax obligation. That is liability based on income (staking, farming, mining). Unlike capital gains, the IRS treats cryptocurrency income as any other type of income, such as employment income, stock dividends, or interest from taxable bonds. Therefore, crypto income is always taxed in the same year it was received.

The same line of cryptotaxation is also followed in the Slovenian proposal for the disposal of crypto-assets (Ministrstvo za finance Republike Slovenije, 2025 & 2025a).

Hebous & Vernon-Lin (2024) reveal an interesting ground for taxing crypto-assets. The production of crypto-assets is energy-intensive due to the electricity required by high-powered equipment to mine them. The climate impact of these activities - irrespective of their social and economic benefits - is cause for concern. The IMF (2023) discussed the issue of *cryptocurrency environmental taxation*, arguing for the potential grounds for taxation and addressing the negative externalities associated with it. The global electricity demand for mining accounted for 0.33% of global CO<sub>2</sub> emissions in 2022, with a growing potential for further expansion. Hence, crypto mining contributes to global warming and air pollution, and even banning this activity has been suggested (Finanzinspektionen, 2021). To lower the intensity of the cryptomining and growing market capitalisation, taxation and corrective excise on the electricity used by crypto miners is suggested (Hebous & Vernon-Lin, 2024a). Hence, the appropriate pricing of these negative ecological externalities and authorities' possible policy measures, as well as taxes imposed, could lead to losses on crypto-asset exposures and reconsideration of investing in those assets (see Isabella Gschossmann et al. 2022).



## **2. CRYPTOTAXATION REGULATIVE FRAMEWORKS**

Until recently, crypto-assets were essentially decentralised, and individual anonymity was guaranteed in these systems. Tax authorities were therefore highly limited in their ability to request data on crypto operations and generate tax revenues to the fullest potential. There are two possible approaches in this regard: defining the tax base and tax source, and implementing more detailed tax information exchange between various jurisdictions. The leading international frameworks regulating the crypto ecosystem regarding taxation will be briefly discussed in the following paragraphs. These are:

1. OECD's CARF establishes a global standard for the automatic exchange of information on crypto-asset transactions to prevent tax evasion and increase transparency. Crypto-asset service providers must collect user data (including tax residency and identification number) and report on various crypto transaction types – fiat to crypto exchange transactions, crypto to crypto, and transfers, including payments for goods/services. CARF will come into force in the EU on January 1, 2026, with the first data exchanges anticipated to occur in 2027 (Deloitte, 2025) or in 2028 (Cooper, 2025).
2. EU's DAC8 is a CARF-related initiative that will introduce the obligation of automatic exchange of data on crypto-assets between EU countries. This piece of regulation extends reporting obligations to certain crypto-asset service providers that may not be subject to regulation under MiCA.
3. EU's MiCA is a regulatory framework for crypto-assets (including stablecoins, utility tokens, etc.) that regulates issuers, service providers and sets out transparency and security requirements. Clifford Chance (2024) noted that this directive introduces an EU regulatory framework for the taxation of crypto transactions – specifically, for the issuance of crypto-assets, the intermediation of crypto-assets, and dealings in crypto-assets. In practical terms, covering crypto-asset operations.

GIFT (2022) emphasises that the information gathered via the tax transparency framework is an essential building block *“of an integrated process that includes the collection, analysis, scrutiny and dissemination of data, and the subsequent discussion of tax system performance, as well as the broader fiscal framework that includes the spending side of public budgets”*. The problems arising from tax authorities' limitations regarding the exchange of crypto asset data and taxation are partially addressed globally by the OECD's crypto asset taxation framework, CRS and the CARF.

The OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters consists of a Model Agreement between Competent Authorities, **CRS**, a commentary, and a Guide to the CRS XML Reporting Schema (ZBS, 2014). CRS is an international framework adopted by the OECD on July 15 2014, to enable the automatic exchange of information on financial accounts between countries. Its goal is to prevent tax evasion and the concealment of assets abroad, particularly through bank accounts and financial assets with other financial institutions. Under the CRS, financial institutions (including banks, investment funds, insurance companies, and custodians) collect and report information to tax authorities on account holders (including personal and tax identification information), account balances, financial gains, interest, dividends, and sales of securities. This information is then automatically exchanged between participating countries. However, the role of CRS in crypto taxation is indirect, because it initially did not cover crypto-assets. Despite this, it plays a crucial structural and conceptual role in the development of tax rules for the cryptocurrency market (OECD, 2025).

The OECD (2023) designed **CARF** as an extension and supplement to CRS, specifically for digital assets not covered by CRS. The CRS, therefore, applies to traditional financial accounts, while the CARF applies to digital assets such as cryptocurrencies, stablecoins, NFTs, and other forms of tokenised value. It aims to introduce greater tax transparency and reporting, specifically on crypto-assets (OECD, 2023), through a mechanism of automatic exchange of information between the taxpayers' residence jurisdictions. OECD (2023a) reports that 48 jurisdictions have signed an original joint statement. By that fact, they confirm their intention to implement the OECD crypto-asset reporting framework by 2027. Additionally, more jurisdictions have since committed to implementing CARF, totalling 67 (Cooper, 2025). The signatories include the UK, USA, Canada and most EU member states. Coincub.com (2024) emphasises that CARF is a step forward from the current practice, where financial institutions, according to CSR, were responsible for compliance and bore the main burden of ensuring compliance with the law. They were the only gatekeepers to the financial markets and had to comply with strict Know Your Customer (KYC) and Anti-Money Laundering (AML) standards. The introduction of this reporting framework has brought a significant paradigm shift, because with the introduction of decentralised financial services, regulatory measures can no longer focus solely on (centralised) service providers. Hence, individual investors and traders must be actively involved to ensure compliance with the law. The information that needs to

be reported is the first part of this regulatory ecosystem and opens the door to tracking the flow of funds on both centralised and decentralised ledgers.

The CARF model contains a Multilateral Competent Authority Agreement (MCAA), which provides for the automatic exchange of information collected under the CARF with jurisdiction(s) or residence of Crypto-Asset Users and is based on Article 6 of the Convention on Mutual Administrative Assistance in Tax Matters. However, the automatic exchange can also be established through bilateral competent authority agreements based on bilateral double tax treaties or tax information exchange agreements that permit the automatic exchange of information (OECD, 2023).

In addition to the aforementioned CARF, the EU has introduced a regulatory framework for crypto-assets, crypto-asset issuers, and crypto-asset service providers. This consists of two regulatory texts, namely a regulation and a directive, which are shortly discussed further on. The Council of the EU (Svet EU, 2023) adopted a Directive to strengthen cooperation between national tax authorities, Council Directive amending Directive 2011/16/EU on administrative cooperation in the field of taxation (Directive (EU) 2023/2226, DAC8). This is a directive amending EU rules on administrative cooperation in the field of taxation (Directive (EU) 2011/16/EU). PwC (2023) noted that, based on the CARF, the EU has acted with the approval of the EU equivalent of CARF - **EU DAC8** as of 17 October 2023. Except for the EU Member States, no jurisdiction is committed to implementing CARF, with the first reporting due in 2027 (as intended in CARF), nor to the amendments to Common Reporting Standards (CRS).

On December 8 2022, the European Commission (EC) proposed establishing a reporting framework that would require crypto-asset service providers to report transactions made by EU clients. It would support tax authorities in tracking the crypto-asset operations. Connected criminal deeds (such as tax fraud and evasion risks) would be diminished. The reporting framework is amending the Directive on Administrative Cooperation (DAC), which serves as the primary framework for tax data exchanges between tax authorities (European Parliament, 2025). In the EU, the DAC8 incorporates the OECD's recommendations into the amended EU Directive on administrative cooperation in the field of taxation.

Deloitte (2025) notes, in this regard, that with the formal adoption of DAC8 on October 17, 2023, new rules and reporting requirements for crypto-assets, e-money, and digital currencies have been established. The rules will take effect from 1 January 2026; in practical terms, the first crypto declarations under these rules would be due on 28 February 2027.

However, member states should transpose DAC8 into their national legislation by 31 December 2025.

The aim of the regulatory framework **MiCA** is to protect investors and maintain financial stability, while enabling innovation and promoting the attractiveness of the crypto-asset sector (Regulation (EU) 2023/1114). Although MiCA establishes the basic framework for the operation of potential providers of cryptocurrency-related services, it does not supersede tax legislation. It does not provide a uniform regulatory framework in this area. The European Council (2024) reports that this package fills a gap in existing EU legislation, with its main objective being to support innovation and the introduction of new financial technologies, while ensuring an appropriate level of consumer and investor protection.

However, the adopted frameworks do not provide the harmonisation of legislation on the taxation of crypto-assets in EU Member States. As a result, individual European regulators apply different tax rules to cryptocurrency operations. The relevant taxation (Hilma, 2025) is divided into four main categories: capital gains tax, income tax, VAT, and corporate income tax. Each country applies its own rates and reporting requirements; therefore, compliance with them is essential for investors and businesses. For example, in April 2025, Slovenia presented a draft law on tax on profits from the disposal of crypto-assets, which could come into force in January 2026. One of the proposed mechanisms is to tax profits from the sale of crypto-assets at a rate of 25%, comparable to the taxation of derivative financial instruments (Ministry of Finance of the Republic of Slovenia, 2025).

Of course, the *Global Forum on Transparency and Exchange of Information for Tax Purposes* is also a step forward in uniforming crypto-asset tax treatment globally, since the Forum serves as an international mechanism to enhance transparency and coordination, monitoring the exchange of data between countries, the effectiveness of their implementation of standards, and reviewing progress (OECD, 2025a).

## CONCLUSION

Cryptocurrencies are often treated more as an investment than a means of payment; therefore, the notion of a crypto-asset is a more appropriate term for the phenomenon. From this perspective, they are becoming increasingly popular worldwide, and regulation in this field needs to step up to establish a legislative framework for various aspects of trading and taxation operations connected with cryptocurrencies. Governments and tax experts around the world are grappling with the

question of how to deal with crypto-assets and tackle this digital revolution, seeking to capitalise on the tax potential of cryptocurrency trading while managing the regulatory challenges of a decentralised asset class. For individuals and businesses, understanding these policies is essential to ensuring business compliance and financial planning. In 2025, taxation policies reflect a mix of innovation, global initiatives, legislative proposals, new regulatory implementations, and adjustments, creating an even more complex crypto ecosystem.

The problem is multifaceted and has three aspects: first, the substantive definition of crypto-assets for tax purposes; second, determining the basis for taxation; and third, reporting activities related to this area. Although basic regulatory and reporting frameworks or recommendations already exist worldwide and at home, the field is far from being uniformly regulated. This is therefore the case in the EU, where each member state is free to choose how it will treat taxation in this area. Due to the multitude of crypto forms, the number of activities related to this area (mining, trading, holding, issuing coins and tokens), the large volume of transactions, both in terms of number and value, the regulation of this phenomenon and the taxation of such activities is becoming necessary, both to protect the interests of potential investors and from the perspective of the tax potential of individual countries.

In the introduction, we posed two research questions: (1) why should crypto-assets be taxed, and (2) which established international initiatives for crypto taxation already exist. Taxation of crypto asset operations is justified because, as we have already pointed out in this article, (1) it leads to the regulation of the crypto asset market, increases transparency, and thus reduces the risk of fraud, evasion and tax arbitrage (2) crypto-assets have become an important investment instrument and do not perform their original role as a means of payment, and it is therefore fair to tax them similarly to other financial investments, and (3) the taxation of crypto-assets may contribute to an increase in tax revenues in the face of bullish trends in crypto markets, which is beneficial for public finances and the general public benefiting from tax budget. The latter answers the first research question: why should crypto-assets be taxed. Furthermore, various tax jurisdictions are incurring an annual loss of potential tax revenue due to tax evasion. The longer this area remains unregulated, with grey areas in regulation and taxation, the greater the potential loss in this regard. When determining the tax base and taxpayers, countries face the same dilemma as always when introducing changes or taxing new activities or assets: how to regulate the area to foster effective tax collection, minimise tax evasion, and implement as fair a taxation as possible.

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