

Tax liabilities of natural persons arising from activities with cryptoassets

Abstract

The focus of this master thesis is tax liabilities of natural persons arising from activities with cryptoassets. The sub-objectives are the correct interpretation of the new term cryptoassets and their legislative classification under the current regulations. The conclusions of these sub-objectives form the basis for a correct assessment of the main objective of the thesis itself, which is the identification of selected activities of natural persons with cryptoassets and subsequently a correct assessment of whether they fall under any of the tax liabilities of natural persons under the current tax legislation.

The thesis starts with an introduction, in which the concept of the thesis and the main motivation behind the choice of this topic are described in detail. The main part is followed by a conclusion which provides a summary of the facts examined and recommendations on the direction in which the current tax legislation should evolve. The main body of the thesis is divided into five parts.

The first part is devoted to the new term cryptoassets and especially its current and forthcoming legislation at the level of the European Union. In the same part, the attitude of selected countries towards this type of assets is presented, followed by the approach of domestic legislation.

The second part focuses more thoroughly on cryptocurrencies, and in particular on the comparison of their characteristics with money, currency and financial instruments. The view on cryptocurrencies is complemented by the conclusions of leading state authorities, namely the Ministry of Finance, the Czech National Bank, and the General Financial Directorate.

The third part provides focus on the most well-known representative of cryptocurrencies, Bitcoin. The definition of an exemplary cryptocurrency serves to properly understand the functioning of this type of asset and the very issues surrounding cryptocurrency.

The following, fourth part of the thesis emphasizes the importance of taxes within the state system and describes their basic structure, which serves as a basis for the classification of individual activities with cryptoassets.

The last fifth part of the thesis is devoted to selected operations with cryptoassets, which are then classified under individual types of taxes. This part identifies the means of handling cryptoassets and the subsequent correct determination of the tax liability of natural persons according to the individual types of taxes. The attention is mainly focused on income tax and value added tax, which are supplemented by conclusions within the framework of other taxes offered by the domestic tax legislation.