

Virtual currency and EU law

Abstract

This thesis focuses on the very topical issue of virtual currencies and European Union law, highlighting their growing importance in the global context. The introduction provides a historical overview of the evolution of money, from primitive barter to modern decentralized finance (DeFi) and virtual currencies. This context allows for a deeper understanding of the role of cryptocurrencies as the latest stage in the evolution of financial systems and how these currencies are transforming traditional concepts of money and financial transactions.

The second part of the thesis presents a detailed introduction to the issues of cryptocurrencies, including the technical categorization of digital assets, explanation of the terminology used, and a description of the individual characteristics of cryptocurrencies, including their advantages and risks. The work also addresses the technological foundation of cryptocurrencies, particularly the distributed ledger technology (DLT), cryptocurrency wallets, and the energy intensity of DLT. It introduces the most significant and well-known virtual currencies such as Bitcoin and Ethereum as well as lesser-known altcoins. Special attention is given to the energy intensity of DLT, which is often a hotly debated topic in the context of crypto-assets.

In the last and most extensive part, the legal issues of cryptocurrencies are analyzed, including a brief look at the Czech legal environment, with a focus on the current issue, namely the Regulation on Markets in Crypto-Assets (MiCA). The thesis examines the classification of crypto-assets according to MiCA, areas regulated and unregulated by this regulation, requirements for crypto-asset service providers (CASP), potential benefits and disadvantages of regulation, and the role and requirements of cryptocurrencies' 'white papers'. In the final part, it addresses the perception of the MiCA regulation by the broader professional and interested public.

The work offers a comprehensive view of the EU legal framework's response to crypto-assets in general, emphasizes the importance of legal certainty and regulation in this dynamically evolving area, and contributes to the discussion on the future of crypto-asset markets within the European legal order.

Key words: Crypto-assets, Virtual currency, European Union