

# The legal issues of Blockchain in Financial Relations

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## Objectives of the research

- ◆ To cover legal nature of Cryptocurrency
- ◆ To observe novelties within EU legal system that combat “Crypto crime”
- ◆ To explore features of Cryptocurrency that challenges a current legal order

# Features of Cryptocurrency

- ◆ The Cryptocurrency is not issued by any government or central banks
- ◆ Cryptocurrency is anonymous/pseudo-anonymous?
- ◆ Cryptocurrency is an asset

# Autonomy



# Pseudo-anonymity



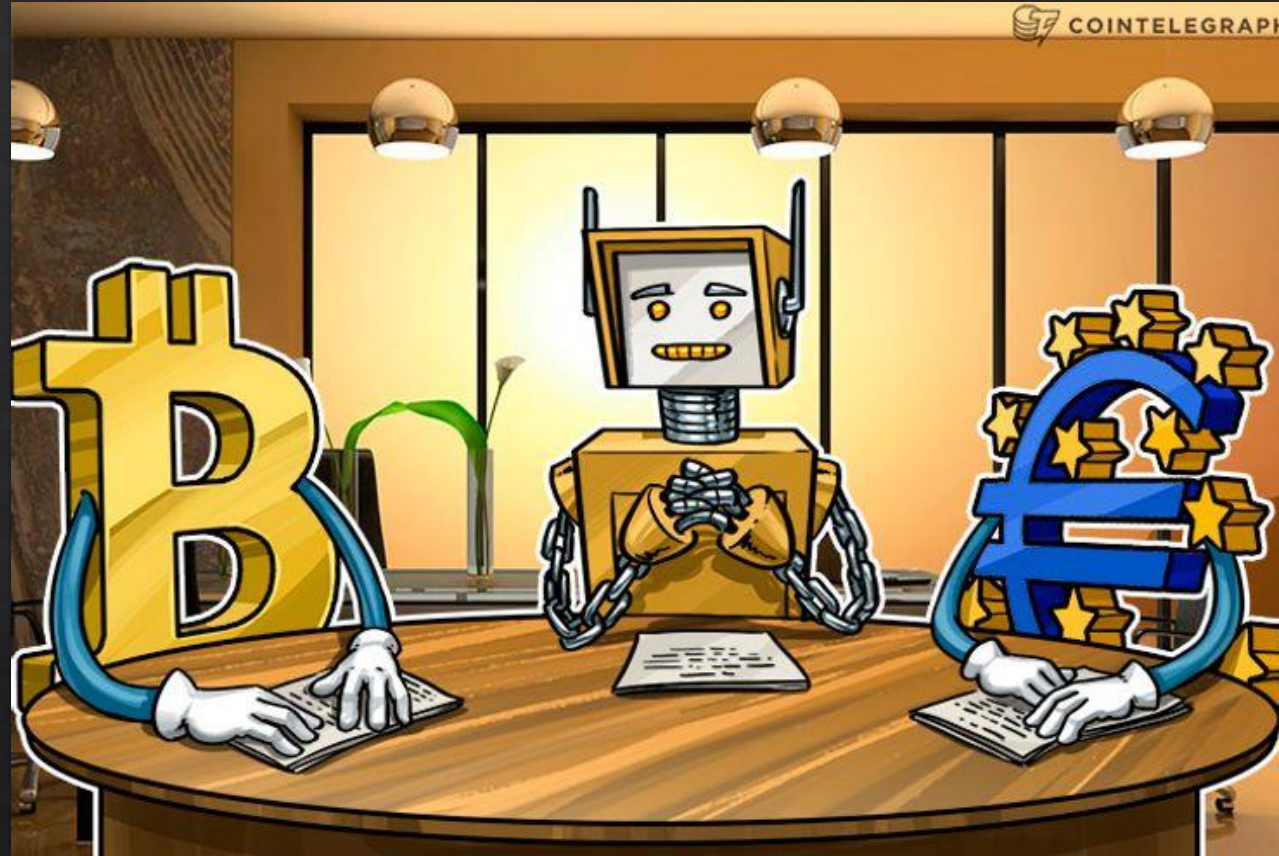
# Nature of an Asset



COINTELEGRAPH



# The EU towards Blockchain



# Skatteverket v David Hedqvist

Case C-264/14:

- non-tangible property
- a subject of financial transactions
- a means of payment
- an exempt from VAT
- not a deposit account

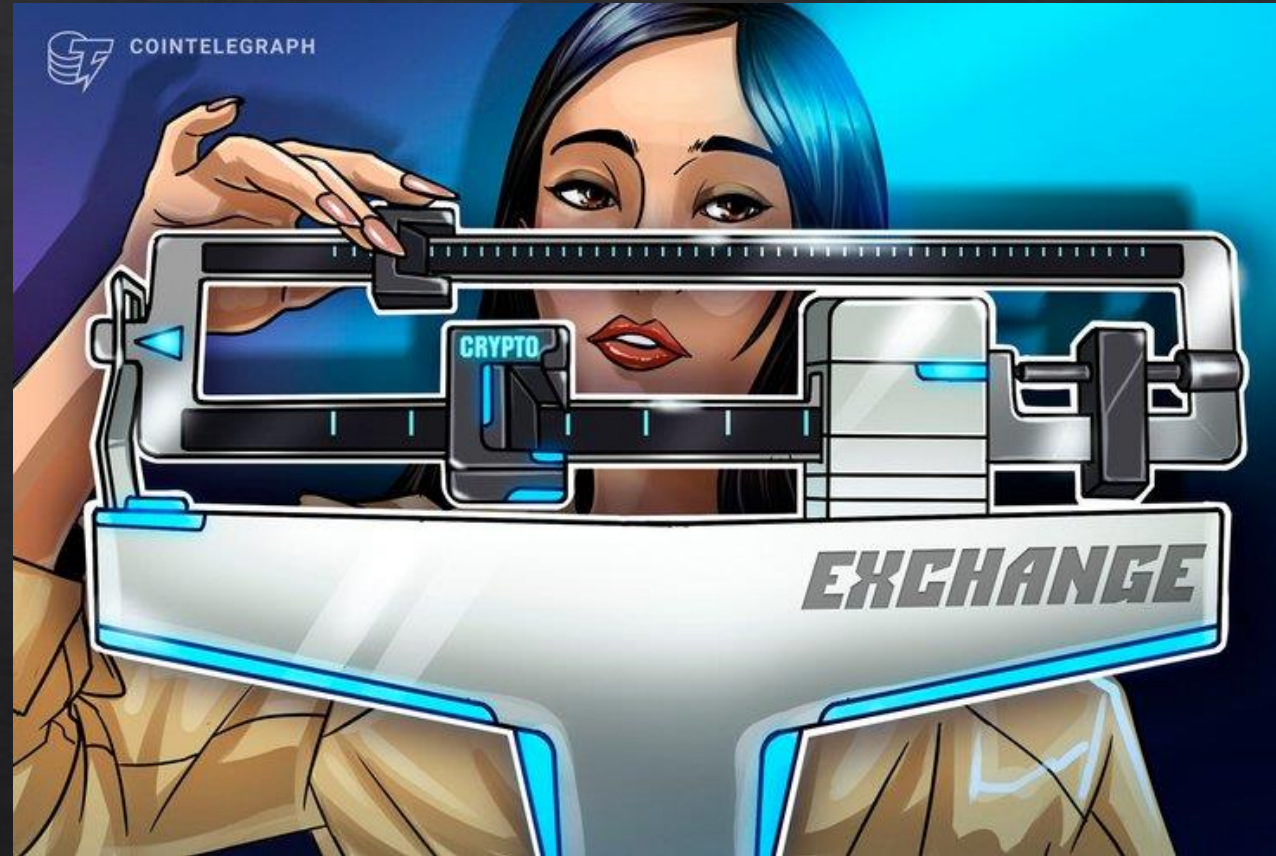




# Cryptocurrency Wallets



# Currency Exchange



# New AML Directive

Transaction is suspicious if:

- ◇ if it is complex
- ◇ sum of transaction is an extremely high
- ◇ actions of contractual parties rising suspicion
- ◇ transaction lacks obvious commercial or lawful purpose

150 euro transaction – Goodwill

reports about legislative novels

identify both clients and beneficiaries



# Conclusions

## Legal nature of Cryptocurrency.

It is a virtual asset, digital representation of value; it can be issued by any person or group of people and can be used by means of exchange. States does not have a direct control over it.

# Conclusions

The EU took measures to stop criminals and terrorists.

It decided to put some of banking features on private entities.

EU member states will control how virtual wallets and currency exchanges collect true identities of users.

The EU Commission will prepare guidelines for the member states.

# Conclusions

**Cryptocurrency is a challenge but the legislators will find their way to minimize it:**

- ◆ **Pseudo-anonymity** – can be illuminated by obligatory checks and users see all actions that have been done by other users.
- ◆ **Decentralization** - it is the thing that does not allow to use Cryptocurrency as the real currency because it is too unpredictable for the state banking system.
- ◆ **Asset** – the legislators will recognize it like an asset in the majority of cases as the EU did it.

Thank You for Attention

