

Cryptocurrency

Definition	<p>a. a digital or virtual currency recorded on a distributed ledger that uses cryptography for security.</p> <p>b. not issued by a jurisdictional authority or other party.</p> <p>c. does not give rise to a contract between the holder and another party.</p>
Applicable Standard(s)	<p>IAS 2 Inventories (if held for sale)</p> <p>IAS 38 Intangible Asset (if IAS 2 does not apply)</p>
Source	<p>Holdings of Cryptocurrencies; IFRS Interpretations Committee, 2019.</p>

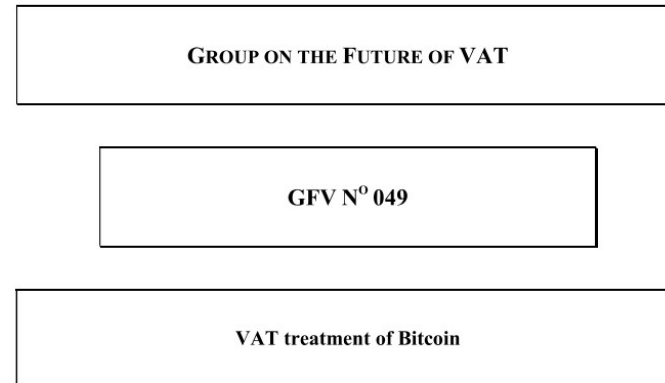
VAT Treatment of Cryptocurrency



Group on the Future of VAT
12th meeting – 7 November 2014

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As to supplies of any goods and services subject to VAT remunerated by way of Bitcoin, they should be treated in the same was as any other supplies for VAT purposes. When payment for goods or services is made in bitcoins, it is difficult to imagine that the payment itself constitutes a supply of services, because Bitcoin does not represent consumption but acts as a means of payment, *i.e.*, its supply would fall outside the scope of VAT. Alternatively, if bitcoins were treated as a digital product, the transaction could become a barter. If bitcoins were seen as a negotiable instrument, the exemption under Article 135(1)(d) of the VAT Directive would apply.