

# VAT TREATMENT OF BITCOINS IN GERMANY

German Federal Ministry of Finance (BMF), dated February 27, 2018:



NO VAT



VAT



Conversion of Bitcoin to Fiat (and vice versa)



Buying goods or services with Bitcoin, i.e. using Bitcoin as a means of payment



Ingame currencies are no means of payment and taxable



Transaction fees received by Bitcoin miners



Bitcoin received by Bitcoin miners



Providing wallet services to customers for a fee

## BITCOIN EXCHANGES:



Fees are generally subject to VAT if the exchange is a marketplace technically enabling sellers and buyers to conduct transactions



No VAT, however, if the exchange buys and sells as an intermediary Bitcoin on its own behalf

The publication of the BMF covers VAT issues only. It does not say anything about capital gains tax / income tax. However, as a general rule, buying and selling Bitcoins and other crypto currencies, which an individual taxpayer (no business company) has been holding for at least one year, is capital gains tax / income tax free under German tax law.