



LEGALINK

INTERNATIONAL BUT PERSONAL

ICOs and Token Sales

Regulatory Framework in Various Jurisdictions

2nd Edition 2019



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THE **13** QUESTIONS WE ASKED

- 1 Does your country allow or prohibit ICOs and Token Sales?
- 2 Does your country regulate ICOs and Token Sales?
- 3 If your country regulates ICOs and Token Sales, what are the names of the government agencies responsible for regulating them?
- 4 If your country regulates ICOs and Token Sales, please provide a short summary of the regulatory framework. For example, do ICOs and Token Sales need to be registered or comply with any rules; or can they only be sold to certain types of purchasers/investors.
- 5 Please provide any additional information you feel is important to understanding ICO and Token Sale regulation in your country.
- 6 If a foreign entity conducts an ICO and offers tokens to residents of your country, will your government require the foreign entity to comply with any rules and regulations? If so, please provide an overview of how ICOs conducted by foreign entities are regulated by the government of your jurisdiction.
- 7 What is the legal nature of crypto in your country (for example, is crypto considered a security, commodity, currency etc.)?
- 8 Has the government of your country prosecuted, civilly or criminally, any ICO issuers, token developers or crypto exchanges for violating your country's laws? If so, please provide an executive summary of the most significant prosecution(s).
- 9 In your country, are there any significant commercial disputes or civil cases (non- government) involving crypto? If so, please provide an executive summary of the most significant dispute(s)/ case(s).
- 10 Does your jurisdiction tax crypto transactions? If so, please provide a basic explanation of how and at what rate they are taxed.
- 11 Separate from ICOs, does your jurisdiction regulate crypto trading or crypto exchanges? If so, please provide an overview of the regulation.
- 12 Does your country offer any unique or important benefit to crypto-focused companies (for example, clear regulatory guidance)? If so, please describe the unique/ important benefit.
- 13 Please identify a point of contact at your firm for cryptocurrency- related matters.

ARGENTINA

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- | | |
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| 1 Does your country allow or prohibit ICOs and Token Sales? | ICOs and Token Sales are allowed in Argentina, as they are not expressly prohibited. |
| 2 Does your country regulate ICOs and Token Sales? | Argentina does not have any specific regulation over ICOs and Token Sales, yet. |
| 3 If your country regulates ICOs and Token Sales, what are the names of the government agencies responsible for regulating them? | N/A |
| 4 If your country regulates ICOs and Token Sales, please provide a short summary of the regulatory framework. For example, do ICOs and Token Sales need to be registered or comply with any rules; or can they only be sold to certain types of purchasers/investors. | N/A |

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5 Please provide any additional information you feel is important to understanding ICO and Token Sale regulation in your country.

Notwithstanding what we inform in question 2 above, the Comisión Nacional de Valores – which function consists in watching over the transparency of stock exchange markets, see to the right pricing in such markets and protect investors – has released a press statement some days ago, about the trading of ICO’s and Token Sales, warning that they are a “speculative investment with high risk” and consequently, “only an expert investor should be trading with such securities”. We expect, therefore, that ICOs and Token Sales will be subject to regulation in Argentina shortly.

6 If a foreign entity conducts an ICO and offers tokens to residents of your country, will your government require the foreign entity to comply with any rules and regulations? If so, please provide an overview of how ICOs conducted by foreign entities are regulated by the government of your jurisdiction.

ICOs and token offers are not specifically regulated in Argentina. Nevertheless, if the token offer would entitle its holder to any equity or share of the resulting income in the invested project, then those tokens would probably be subject to securities regulation. Likewise, and as mentioned before, the Argentine Securities Commission has released a press statement about the trading of ICOs and token sales, where it warns that they are a ‘speculative investment with high risk’ and consequently ‘only an expert investor should be trading with such securities’.

7 What is the legal nature of crypto in your country (for example, is crypto considered a security, commodity, currency etc.)?

The Argentine Central Bank has stated that cryptocurrencies are not backed and are not legal tender. Therefore, given the lack of regulation of cryptocurrencies and its own characteristics, crypto is considered movable property under Argentine law.

8 Has the government of your country prosecuted, civilly or criminally, any ICO issuers, token

To the best of our knowledge, based on publicly available information and without performing a specific search in this regard, we have no information about any proceeding in this regard.

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developers or crypto exchanges for violating your country's laws? If so, please provide an executive summary of the most significant prosecution(s).

9 In your country, are there any significant commercial disputes or civil cases (non-government) involving crypto? If so, please provide an executive summary of the most significant dispute(s)/ case(s).

10 Does your jurisdiction tax crypto transactions? If so, please provide a basic explanation of how and at what rate they are taxed.

See previous answer.

Given that the Argentine tax system has not yet given a precise definition of what is called 'digital currencies', crypto is currently assimilated as securities. In that context, crypto transactions are subject to the following taxes.

Income tax: The rate depends on the person that performs the transaction. If it is an individual, the rate could be 15% of the profits from the transaction. However, given the current regulation, as cryptocurrency treatment is not explicitly regulated, the rate may vary between 5% and 35% of the profits from the transaction. If it is a legal entity, the rate is 30% of the profits from the transaction and should be reduced to 25% by 2020.

Bank debits and credits tax: Any banking transaction is taxed at 6% of the amount of the transaction. If the crypto transaction involves a bank account, it will be subject to said tax.

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Personal assets tax: As aforementioned, crypto is considered as a security. In that context, although it has not been included in the personal assets tax regulation yet, it may eventually be subject to it.

11 Separate from ICOs, does your jurisdiction regulate crypto trading or crypto exchanges? If so, please provide an overview of the regulation.

Resolution 300/2014 issued by Argentina's money laundering and financing of terrorism authority (UIF) mandates that registered reporting entities must monitor every transaction made with cryptocurrencies and report them to the UIF.

12 Does your country offer any unique or important benefit to crypto-focused companies (for example, clear regulatory guidance)? If so, please describe the unique/important benefit.

N/A.

13 Please identify a point of contact at your firm for cryptocurrency-related matters.

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