



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.

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1 Does your country allow or prohibit ICOs and Token Sales?

Bulgarian legislation does not prohibit Bitcoin or ICOs. According to the official statements of the Bulgarian National Bank (BNB) and the Finance Supervision Commission (FSC), which were given further to an explicit request from Sofia city court with regard to a specific court case, Bitcoin and other cryptocurrencies do not represent a legally defined payment instrument in the country. Thus, the Bulgarian legislation does not regulate Bitcoin and the other cryptocurrencies, nor ICOs and token sales. There is no specific legal registration or license regime in this regard.

2 Does your country regulate ICOs and Token Sales?

Activities connected to the acquisition, exchange, sale etc. of Bitcoin and ICOs are not legally regulated by the Bulgarian legislation.

3 If your country regulates ICOs and Token Sales, what are the names of the government agencies responsible for regulating them?

There is no official regulation.

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.

There is no explicit regulation.

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

In recent years there is a certain interest in the country in ICOs and issues related to cryptocurrency in general. Due to the fact that there is no regulation in this business sphere, the participants are very careful and cautious.

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.

There is no explicit regulation of cryptocurrency.

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

Bitcoin and other cryptocurrencies do not represent a legally defined payment instrument in Bulgaria. Thus, the Bulgarian legislation does not regulate Bitcoin and other cryptocurrencies, nor ICOs and token sales. There is no specific registration or licence regime in this regard.

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

There is no explicit regulation.

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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).

There is no explicit regulation.

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

Income derived from trading with cryptocurrency is considered to be taxable income under the general rules of taxation of physical persons and legal entities, including for VAT registration.

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

There is no explicit 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.

There is no explicit regulation.

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

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