Downloaded from Blogs on 14.11.2026 00:58h

By PwC Deutschland | 27. Oktober 2015

Dealing in “bitcoin” exempt from VAT as a currency exchange

The ECJ has held that dealing in “bitcoin” and other virtual currencies is equivalent to a traditional currency exchange and is, as such, exempt from VAT.

Downloaded from Blogs on 14.11.2026 00:58h

A Swedish currency dealer wished to offer a virtual currency exchange service of buying and selling “bitcoin” for Swedish Kroner at the daily rate of exchange together with a margin. He maintained that this service should be VAT-free as a currency exchange or as a transaction in negotiable instruments, but the tax authorities saw it as taxable as any other service, “bitcoin” not being an actual currency.

The ECJ has now held that “bitcoin” is to be regarded as a currency for the purposes of the VAT Directive. There is disparity between the different language versions of the directive, so no one version should be taken literally. However, the only purpose of “bitcoin” and other virtual currencies is to be used as a means of payment to those willing to accept them. They are therefore to be equated with actual currencies. Dealing in them for an actual currency is exempt from VAT as a currency exchange.

The ECJ case reference is C-264/14 *Hedqvist* judgment of October 22, 2015.

Schlagwörter

bitcoin, crypto assets / virtual assets, currency exchange