

PRESS RELEASE

WOLF THEISS: POLAND NEEDS CLEAR RULES TO PROTECT CRYPTO INVESTORS

Warsaw, 13 September 2018 – As cryptocurrencies grow in popularity in Poland, legislators and regulators are struggling to keep up with the changing environment, leaving investor protections very weak, experts from Wolf Theiss said at a recent business seminar organized by the law firm. For the crypto market to develop, Poland should adopt clear, consistent rules.

“Cryptocurrencies are recent innovations. Satoshi Nakamoto, the pseudonymous creator of Bitcoin, published his paper less than ten years ago,” said Dr. Niklas Schmidt, the head of Wolf Theiss’ Vienna-based Tax practice group. “As cryptocurrencies become more and more popular, national authorities are trying to keep up and find solutions, but these vary across jurisdictions.”

“Trading in cryptocurrencies through exchanges in Poland now falls under the regime of anti-money laundering regulations, which is a game changer for the mostly anonymous trading conducted so far,” summarized Jacek Michalski, partner and head of the Corporate and M&A practice group at Wolf Theiss Warsaw.

“Under Polish law, cryptocurrencies are not a part of your assets; you cannot possess them as property,” said Przemysław Kozdój, partner and head of the Banking and Finance practice group at Wolf Theiss Warsaw. “That means the legal protections for investors in cryptocurrencies are exceptionally weak and, as a consequence, the Polish and EU supervisory bodies have warned against such investments.”

Research shows that between 600,000 and 1 million Poles have invested in cryptocurrencies such as Bitcoin and Ethereum. The number of startups seeking to raise money through initial coin offerings (ICOs) is also growing. Observing growing interest in cryptocurrencies, Poland’s Financial Supervision Authority is conducting an informational campaign to alert potential investors of the high risk and volatility of investing in such assets.

Even as the legal status of cryptocurrencies in Poland remains ambiguous, the Finance Ministry is working on tax regulations.

“Poland’s fiscal authorities see the need to tax trade in cryptocurrencies in a comprehensive manner,” added Karolina Stawowska, partner and head of the Tax practice group at Wolf Theiss Warsaw, “So far tax rates have varied depending on who the investor is – a professional entity or natural person. Current Finance Ministry plans call for a single 19% tax rate, but other elements of the proposed regulation may make cryptocurrency trading less profitable.”

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ABOUT WOLF THEISS

Wolf Theiss is one of the leading European law firms in Central, Eastern and South-Eastern Europe with a focus on international business law. With 340 lawyers in 13 offices located in Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine, Wolf Theiss represents local and international industrial, trade and service companies, as well as banks and insurance companies. Combining law and business, Wolf Theiss develops comprehensive and constructive solutions on the basis of legal, fiscal and business know-how.

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