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Contributing Editor:

Josias N. Dewey

Holland & Knight LLP

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Government attitude and definition

There is no central definition of "crypto-asset" in Slovak legislation. Some laws still used the term "virtual asset" without defining it, but since the MiCA Regulation[1] entered into force, Slovak law in the area of financial regulation and tax law simply refers to the definition of crypto-asset under Article 3 (1) (5) of the MiCA Regulation. This, on the one hand, streamlines legal consistency, but on the other hand undermines the need for specialisation where required.

As for the legal nature or classification of crypto-assets, the legal system of the Slovak Republic does not define crypto-assets as money in the true sense of the word, nor are crypto-assets explicitly regulated as "things" in the Civil Code.[2] The most common opinion of legal experts is that crypto-assets qualify as "other property value" (in Slovak, *iné majetkové hodnoty*).[3] By "other property value", we understand this to mean objects that are neither a thing nor a right, but that nevertheless have a certain property value. These objects must also be distinguished from the rights that relate to them. Such immaterial objects include, for example, a co-ownership share or a business share, and also intangible assets such as a trade secret, an invention, know-how, and many other subjects of intellectual property.[4]

In the Slovak Republic, there have been long-standing discussions about recodifying civil law and adopting a new Civil Code. According to the current draft, the classification of things into material and immaterial should be introduced, in which case crypto-assets could be classified as immaterial things *de lege ferenda*.

No crypto-asset is currently supported or issued by the Slovak government, nor by the National Bank of Slovakia ("**NBS**") as a supervisory (competent) authority in the area of crypto-assets. We are also not aware of any such intention.

Cryptocurrency regulation

As Slovakia is part of the EU, crypto-assets are primarily regulated by the MiCA Regulation. Slovakia has also adopted a separate legal act on crypto-assets;[5] however, it only regulates certain aspects of crypto-assets in line with the MiCA Regulation. For example, the law states that NBS acts as a competent authority in the Slovak Republic, sets up basic rules for reporting obligations of the issuers of asset-referenced tokens and crypto-asset service providers to NBS, and regulates the training and examinations for persons providing advice on crypto-assets. Furthermore, NBS also issued an individual measure on the submission of reports by crypto-asset service providers.

Key aspects of the MiCA Regulation are:

- legal classification of crypto-assets, creation of harmonised rules for the provision of crypto-asset services, including crypto-asset exchanges, and regulation of token issuances;
- enhancing market transparency through disclosure requirements;
- introduction of a licensing regime and standards for crypto-asset service providers and issuers of asset-referenced tokens; and
- supervision of activities that could threaten market stability and credibility.

Apart from the MiCA Regulation, crypto-assets are regulated by other legal acts on an EU level directly or indirectly applicable in Slovakia, such as the DLT Regulation,[6] the TFR,[7] DAC8 and the related delegated and implementing legal acts.

In the area of provision of crypto-asset services, Slovakia opted for a shorter grandfathering period as permitted under Article 143 of the MiCA Regulation. The grandfathering period for virtual asset service providers ends on 30 December 2025, which means that all entities (virtual asset service providers) that provide crypto-asset services in Slovakia under trade licences issued before 30 December 2024 may continue to do so until they receive authorisation to provide these services under the MiCA Regulation or until 30 December 2025, whichever occurs sooner.

As of the date of the preparation of this chapter,[8] no authorisation to provide crypto-asset services has yet been issued by NBS. As a law firm, we represent various clients (domestic and foreign) in licensing proceedings and cooperate with them on several fronts, including raising awareness about proper governance and developing methodological and other procedures, so we are well placed to confirm that the approach of NBS in these proceedings is very practical and rational. Unlike other jurisdictions we are familiar with, Slovakia does not require extensive substance in terms of personnel or, to some extent, infrastructure. This makes Slovakia relatively attractive for foreign players seeking an entry point into the EU market.

The fact that no licence has been issued so far is, in our opinion, based on the following factors:

- in Slovakia, it was extremely easy to provide crypto-asset services before the adoption of the MiCA Regulation, so the transfer to a highly regulated regime is a vast and expensive process for virtual asset service providers; and
- there are no big global players based in Slovakia whose resources would be better dedicated to the transition to and adoption of the MiCA and/or DORA Regulation.

Sales regulation

There is no specific Slovak legal act on the sales regulation of crypto-assets.

Generally, the sale of crypto-assets that are regulated under the MiCA Regulation ("standard" tokens like Bitcoin or Ethereum, but also stablecoins, i.e., asset-referenced tokens or electronic money tokens) may be considered a crypto-asset service of "exchange of crypto-assets for funds" or "exchange of crypto-assets for other crypto-assets" if it is carried out as a business activity. In such case, the crypto-asset service provider is directly entering into a transfer contract on sale or purchasing crypto-assets with clients using its own capital. Crypto-asset service providers may also arrange for the sale of crypto-assets to their clients by providing them a service of "execution of orders for crypto-assets on behalf of clients" or "reception and transmission of orders for crypto-assets on behalf of clients". In such case, the counterparty to the client is not the crypto-asset service provider itself.

In case two persons enter into a sales and purchase agreement in relation to crypto-assets under the MiCA Regulation (not carrying out any business activity), no specific financial regulation applies, and such contract falls under the same regime as other sales and purchase agreements for "other property value".

However, if crypto-assets qualify as financial instruments (e.g., crypto bonds), the transfer of such crypto-assets is governed by the rules for the transfer of financial instruments. So, in this case, it does not make any difference whether the financial instrument has a "standard" form or that it was created, for example, on a blockchain.

There are no state-wide limitations on acquiring or selling crypto-assets in the Slovak Republic.

Taxation

Under the Slovak Income Tax Act (Act No. 595/2003 Coll. on Income Tax, as amended), income derived from the sale of crypto-assets is subject to income tax. The law defines a sale of a crypto-asset as an exchange of a crypto-asset for property, an exchange of a crypto-asset for another crypto-asset, an exchange of a crypto-asset for the provision of services, or a transfer of a crypto-asset for consideration (collectively, the "**Sale of a Crypto-asset**"). The resulting income is taxed depending on whether the taxpayer is a non-business individual, a self-employed individual, or a legal entity.

For non-business individuals, income from the Sale of a Crypto-asset is taxed under Section 8 (1) (t) of the Income Tax Act as "other income" at a rate of 19% if the tax base does not exceed EUR 48,441.43 and at 25% on income above this threshold. The taxable base is calculated as the income reduced by demonstrably incurred expenses related to the acquisition of the crypto-asset. However, if expenses exceed the income, the loss cannot be recognised (i.e., non-business individuals cannot report a tax loss from the Sale of a Crypto-asset). The most common deductible expense is the acquisition cost (or other consideration paid) for obtaining the crypto-asset.

If an individual carries out the Sale of a Crypto-asset as part of its business activity (e.g., recurrent trading), such income is taxed as business income under Section 6 of the Income Tax Act. In this case, a tax rate of 15% applies if the taxable income does not exceed EUR 100,000, a rate of 19% applies where the tax base does not exceed EUR 48,441.43, and a tax base above this threshold is subject to a 25% rate.

For legal entities, income from the Sale of a Crypto-asset is taxed at the following progressive rates: 10% if the total taxable income does not exceed EUR 100,000; 21% for income from EUR 100,000 up to EUR 5 million; and 24% for income exceeding EUR 5 million.

There are some tax incentives available for those operating in crypto. Staking and mining give rise to taxation only upon disposing with the newly created crypto-asset. There are also strong incentives for research and development activities.

From a VAT perspective, the pure purchase and sale of crypto-assets are classified as being outside of the scope of VAT. Furthermore, in line with the judgment of the Court of Justice of the EU in *Skatteverket v. Hedqvist* (Case C-264/14), supplies relating to the purchase and sale of crypto-assets fall under the exemption from VAT. Accordingly, transactions involving the exchange of crypto-assets for legal tender (or *vice versa*) are exempt from VAT under Slovak law. However, a different VAT regime applies to crypto-assets that represent a tokenised asset or evidence of entitlement to a supply.

Money transmission laws and anti-money laundering requirements

The Slovak AML Act[9] is based on the transposition of EU AML Directives. The key obligation of an applicant for a licence to provide crypto-asset services arising from the AML Act is to prepare an internal AML programme that contains all mandatory elements stipulated by the AML Act (the "**AML Programme**"). The applicant will not succeed in the licensing process if the AML Programme lacks any mandatory elements or if it is not properly tailored to the specific services and activities the applicant intends to carry out. NBS pays close attention to ensuring that applicants' AML procedures take into account their specific business model and the specific aspects of crypto-assets, especially with respect to the identification of unusual business transactions, the assessment of AML risks, and the implementation of measures to eliminate or mitigate those risks.

Applicants are required, for example, to identify and specify when and in what activities an increased incidence of unusual or suspicious transactions can be expected and in what form these unusual or suspicious transactions are carried out. Applicants must also assess the adequacy and proportionality of internal control mechanisms for policies and processes in relation to the scope, nature, and inherent risk of AML risks in relation to the specific intended crypto-asset services and the applicant's business model. In addition, the AML Programme must set out mandatory staff training, including the content and schedule of such training, the methods of monitoring compliance with the AML Programme, the approach to risk assessment and risk management, as well as the methods and procedures for the performance of customer due diligence. A robust internal regulation is expected to be developed that must contain such information.

Each applicant must appoint a person responsible for AML. Under the AML Act, the responsible person must be either a statutory body, a member of the statutory body, or a managerial employee of the applicant who has direct access to information about the applicant's activities and has sufficient authority to mitigate identified risks. It is important that the person responsible for AML demonstrates sufficient knowledge and experience in this area during the licensing process. NBS is strict when assessing candidates for this position and will not accept a candidate who does not demonstrate such knowledge and experience.

The above obligations of course apply continuously to every crypto-asset service provider upon obtaining the respective licence from NBS.

Every crypto-asset service provider must also comply with the TFR. Commonly known as the "Travel Rule", this framework obliges crypto-asset service providers to collect and transmit details about both the originator and the beneficiary with each transfer and ensure that incomplete data is properly addressed.

Promotion and testing

NBS opened a "Regulatory Sandbox" on 1 January 2022. The purpose of the Regulatory Sandbox is to allow financial market participants to align financial innovations with regulatory requirements through consultations with NBS and practically test them in the Slovak financial market.[10]

The Regulatory Sandbox is not specifically focused on crypto-assets, but rather on the entire financial market. An applicant for authorisation is an eligible participant, which means that any company that wants to apply for crypto-asset services or, for example, for authorisation to issue asset-referenced tokens, and providing its business model is innovative, may test it within this Sandbox administered by NBS.

We are not aware of any other sandbox or similar programme operating in Slovakia intended to promote research and investment into crypto-assets at this time.

Ownership and licensing requirements

As explained above, the provision of crypto-asset services in Slovakia (and in the EU as a whole) is regulated by the MiCA Regulation. Such crypto-asset services encompass the following:

- providing custody and administration of crypto-assets on behalf of clients;
- operating a trading platform for crypto-assets;
- exchanging crypto-assets for funds;
- exchanging crypto-assets for other crypto-assets;
- executing orders for crypto-assets on behalf of clients;

- placing of crypto-assets;
- reception and transmission of orders for crypto-assets on behalf of clients;
- providing advice on crypto-assets;
- providing portfolio management of crypto-assets; and
- providing transfer services for crypto-assets on behalf of clients.

These crypto-asset services may be either provided by the crypto-asset service provider with the authorisation granted by NBS or other competent authority in another EU Member State, or by certain financial institutions that have notified the provision of these services to its competent authority. For example, an investment firm may provide crypto-asset services to its clients that are equivalent to the investment services and activities for which it is specifically authorised (providing portfolio management of crypto-assets is deemed equivalent to portfolio management of financial instruments, and the exchange of crypto-assets for funds and other crypto-assets is deemed equivalent to dealing on own account with financial instruments). On the basis of the same principle, other financial institutions may also provide any of the above crypto-asset services, including credit institutions (banks), fund management companies and electronic money institutions.

Applicants for the authorisation to provide crypto-asset services are subject to strict licensing requirements, including prudential requirements that, in general, vary from EUR 50,000 to EUR 150,000 of permanent minimum capital depending on the tier of crypto-asset services. Furthermore, applicants must prove the fit and proper requirements of its governing body (directors) and must also employ other personnel with the necessary knowledge, experience and skills to carry out their duties. These personnel include persons responsible for internal control (compliance, risk management, internal audit), persons responsible for the AML/KYC agenda, persons responsible for the provision of crypto-asset services, and persons responsible for the provision of IT services. The whole organisational structure of course depends on the complexity of operations of each individual applicant and is assessed on case-by-case basis by the competent authorities. NBS requires every applicant to have at least the personnel that will cover the functions listed in this paragraph (considering that some functions may be cumulated and performed by one employee). Furthermore, applicants must prove that their shareholders are of sufficiently good repute and that the origin of their registered capital is provable from an AML/KYC perspective, and they must also prepare the full set of internal regulations to be compliant with the MiCA Regulation, the DORA Regulation[11] and other applicable legal acts.

The licensing proceedings before NBS for the authorisation to provide crypto-asset services lasts between three and nine months, taking into account our experience in these proceedings and others before NBS. It is recommended to invest as much time as possible in the pre-licensing procedure, i.e., in the preparation of the application and its schedules, and NBS is open to meeting with applicants in a pre-licensing meeting in which the applicants may present their business model to NBS.

As for fund management, the possibility of investment funds investing in crypto-assets is determined by the regulatory type of such fund and the limitations of its investment policy. In general, retail investment funds in Slovakia cannot invest in crypto-assets like Bitcoin or Ethereum. This is possible for investment funds that are marketed to qualified or professional investors only; however, in our experience, it is still not very common in the Slovak Republic. There are small investment funds that cannot be offered to the public with no statutory limitations for their investment policy (thus not imposing any limitations on investment in crypto-assets), but their share in the market is negligible.

Mining

Mining of crypto-assets is not specifically regulated by Slovak legislation. Crypto-asset mining does not in itself constitute the provision of crypto-asset services, investment services, payment services, financial intermediation or any other similar activity that would require a licence or registration from

NBS. Furthermore, mining is also out of scope of the MiCA Regulation.[12] Thus, the mining of crypto-assets is currently an unregulated activity in the Slovak Republic and is therefore permitted.

For tax purposes, mining is subject to a specific regime under Slovak law. Newly mined crypto-assets do not trigger taxation at the moment of creation; instead, the tax liability arises only upon their subsequent disposal (i.e., when the mined crypto-assets are sold, exchanged or otherwise transferred for consideration).

Border restrictions and declaration

Overall, the applicable legal framework (the MiCA Regulation, the TFR, the DLT Regulation) is harmonised on an EU level. The Slovak legal system does not introduce almost any additional legal acts, rules or obligations on the regulatory treatment of crypto-assets. Of course, in the areas that are not harmonised (like income tax), the legal regime is unique to each Member State.

If the crypto-asset service provider obtains a licence in Slovakia, it may provide its services in the whole EU market. The same applies for any financial institution that provides crypto-asset services based on notification to its competent authority.

Reporting requirements

Crypto-asset providers are supervised by NBS and have regular reporting obligations to NBS. NBS issued an individual measure on the submission of reports by crypto-asset service providers that includes templates for various accounting reports, a report on wallet addresses, a report on complaints, a report on AML/KYC, etc.

Accounting reporting is aligned with Slovak accounting standards and is generally easy to comply with. It is generally not possible for International Financial Reporting Standards to be used by licensed crypto-asset service providers.

Estate planning and testamentary succession

As explained above, under Slovak law, crypto-assets are considered "other property value", which can be inherited. They have monetary value and are part of the deceased's estate. In the event of the death of a crypto-asset owner, such crypto-assets will be included in the inventory of assets within the inheritance proceedings. The notary, as the judicial commissioner, will value them at their usual price on the date of the death of their previous owner, usually based on the market value of the crypto-assets.

Crypto-assets will be distributed among the heirs according to the outcome of the inheritance proceedings. There is no specific regime for crypto-assets, so they are inherited under the same rules as other assets. If the deceased person did not issue a will during his/her life (which is permitted under Slovak law), the heirs will be determined by law, and in general are the children and spouse of the deceased.

For a testamentary disposition to be effectively carried out, it is crucial that the heir has the necessary means to access the crypto-assets, in particular private keys, seed phrases, and wallet login details. Without this information, the heir may be unable to take possession of the crypto-assets, even if they are legally inherited.

Endnotes

1 Regulation (EU) No. 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No. 1093/2010 and (EU) No. 1095/2010 and Directives No. 2013/36/EU and (EU) No. 2019/1937 (the "**MiCA Regulation**").

2 Act No. 40/1964 Coll. the Civil Code, as amended (the "**Civil Code**").

3 Please see, for example, https://karolinum.cz/data/clanek/10828/Iurid_68_4_0099.pdf or https://www.nbs.sk/_img/documents/_publik_nbs_fsr/biatec/rok2019/04-2019/01_04aug_beno.pdf

4 Števček, M., Dulak, A., Bajánková, J., Fečík, M., Sedlačko, F., Tomašovič, M. *et al.*, *Civil Code I, Sections 1–450, Commentary,* 2nd edition, Prague: C. H. Beck, 2019, p. 1754.

5 Act No. 248/2024 Z. z. of 11 September 2024 on certain obligations and powers in the field of crypto-assets, and on amending certain laws.

6 Regulation (EU) No. 2022/858 of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No. 600/2014 and (EU) No. 909/2014 and Directive No. 2014/65/EU (the "**DLT Regulation**").

7 Regulation (EU) No. 2023/1113 of the European Parliament and of the Council of 31 May 2023 on information accompanying transfers of funds and certain crypto-assets, and amending Directive (EU) No. 2015/849 (the "**TFR**").

8 4 September 2025.

9 Act No. 297/2008 Coll. Act on protection against money laundering and terrorist financing and on the amendment to certain acts, as amended (the "**AML Act**").

10 More detailed information on the Regulatory Sandbox can be found on the NBS webpage here: https://nbs.sk/en/financial-market-supervision1/fintech/regulatory-sandbox

11 Regulation (EU) No. 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector, and amending Regulations (EC) No. 1060/2009, (EU) No. 648/2012, (EU) No. 600/2014, (EU) No. 909/2014 and (EU) No. 2016/1011 (the "**DORA Regulation**").

12 Please see, for example, Recital 93 of the MiCA Regulation.

Peter Varga

Tel: +421 918 953 897 / Email: peter.varga@highgate.sk

Peter Varga is co-founder and Partner at Highgate Law & Tax and CEO and founder of Highgate Accounting, a tax and accounting firm, uniquely combining legal, tax, accounting and regulatory expertise under one roof. He is particularly recognised in Slovakia for providing in-depth legal, tax and regulatory advice on complex and innovative structures across fintech, capital markets, investment funds, crypto-asset platforms, SMEs and venture capital companies.

After graduating in law, Peter worked for several years at the leading international law firm Dentons as a trainee solicitor and later as an attorney-at-law. He spent some of that time in its Warsaw office, where he worked on international tax law and structuring. His tenure at one of the best law firms in the world gave him insight into the largest transactions in Slovakia, extensive knowledge and know-how and the opportunity to work with the best attorneys on major financial and tax transactions.

Roman Baranec

Tel: +421 918 022 198 / Email: roman.baranec@highgate.sk

Roman Baranec is a Senior Associate at Highgate Law & Tax, specialising in financial regulation and capital markets, including regulatory structuring of investment funds, bond financing, and providing legal and regulatory advice in the areas of investment services, crypto-assets and crowdfunding. Within these activities, he actively represents clients in authorisation, registration and sanction proceedings before the National Bank of Slovakia.

Before joining Highgate in 2021, Roman spent six years at the international property development group HB Reavis, providing legal advice in M&A, capital markets and investment structuring, including bond listings in Bratislava and Prague as well as regulatory support in fund-related transactions.

Vladimir Gaduš

Tel: +421 949 210 042 / Email: vladimir.gadus@highgate.sk

Vladimir Gaduš is a Senior Associate at Highgate Law & Tax, specialising in the fields of software law, information technology, AML regulation and digital compliance. Within his AML practice, Vladimir guides applicants through licensing proceedings before the National Bank of Slovakia, and also advises clients on day-to-day AML compliance issues. He supports businesses in building robust internal AML processes and preparing mandatory documentation that meets both Slovak and EU regulatory requirements.

Before joining Highgate in 2022, Vladimir gained professional experience at Slovak law firms Majerník & Miháliková (2017–2020) and HKV Law Firm (2020–2022). During this time, he worked across corporate and regulatory matters, with a particular focus on compliance and the design of AML processes.

Highgate Law & Tax s. r. o.

Nivy Tower, Mlynske Nivy 5, Bratislava 821 09, Slovakia

Tel: +421 918 953 897 / URL: www.highgate.sk

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