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Slovakia- Blockchain and Crypto Assets

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Slovakia- Blockchain and Crypto Assets

1. What is the current legal landscape for your practice area in your jurisdiction?

Slovakia's crypto-asset market is now governed almost entirely by EU law. Regulation (EU) 2023/1114 on markets in crypto-assets (**MiCA**) has applied in full since 30 December 2024. At national level, it is supplemented by Act No 248/2024 on certain obligations and powers in the field of crypto-assets, which designates the National Bank of Slovakia (**NBS**) as the competent authority and sets out its supervisory and sanctioning powers. Slovakia has implemented MiCA without gold-plating: the national act adds no material requirements to those in the regulation.

The decisive change came on 30 December 2025, when the Slovak transitional period expired. Until then, exchange and custody services could be provided under a trade licence with almost no formal requirements. Since that date, crypto-asset services may be provided in Slovakia only by a crypto-asset service provider (**CASP**) authorised by the NBS, by a financial institution using the MiCA notification procedure, or by a CASP authorised in another member state that passports its services into Slovakia.

The result is a small and concentrated domestic market. As of 16 October 2026, the NBS had authorised six CASPs. We represented three of them, which together provide eight different crypto-asset services. Across the EU, hundreds of authorised CASPs and notified financial institutions provide crypto-asset services, and, as of 16 October 2026, 164 of them passported to Slovakia.

The NBS supervises the sector through a separate department dedicated exclusively to crypto-assets. In our experience, it is pragmatic and open to dialogue: prospective applicants for a CASP authorisation can request a pre-licensing meeting to present their business model before filing an application. Also, the other NBS departments, e.g. the consumer protection department, are involved in the supervision of the entities providing crypto-asset services. The NBS has also operated a regulatory sandbox since 2022.

From the substance perspective, the NBS is clear about what it does not accept in the Slovak market. The NBS has stated that it will not authorise “letter-box” entities, established mainly to obtain a Slovak licence and passport it elsewhere without genuine premises, staff and decision-making in Slovakia.

CASPs are also financial entities subject to Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (**DORA**). When they serve consumers at a distance (which all CASPs authorised in Slovakia do), they must also comply with Act No 311/2025 on consumer protection in distance financial services, which has applied since 19 June 2026.

Tokenisation of traditional financial instruments is developing in parallel, outside MiCA. Following the transposition of the relevant amendment to Directive 2014/65/EU on markets in financial instruments, financial instruments can be issued in Slovakia using distributed ledger technology (**DLT**). Under Regulation (EU) 2022/858 on a pilot regime for market infrastructures based on DLT (**DLT Pilot Regime**), financial instruments can also be recorded directly on a DLT settlement system. Centrální depozitář cenných papírů (**CDCP**), the Czech central securities depository and operator of the first DLT settlement system authorised in the EU, has passported its services into Slovakia. In December 2025, the NBS

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approved the first prospectus for tokenised bonds in Slovakia, on which we advised the issuer.

On the tax side, Slovakia has no special regime for crypto-assets. Individuals pay tax on income from crypto-assets at progressive rates, which since 2026 have ranged from 19% to 35%. Every disposal, including an exchange of one crypto-asset for another, is a taxable event, and there is no exemption for long-term holdings. Companies pay corporate income tax at the general rates of 10%, 21% or 24%, depending on their revenue. Tax transparency has also increased significantly. Act No 200/2025, which transposed Council Directive (EU) 2023/2226 (**DAC8**) by amending Act No 359/2015 on the automatic exchange of financial account information, has required CASPs to collect information on their users and reportable transactions since 1 January 2026. The first report to the Slovak tax authorities is due by 31 May 2027.

2. What three essential pieces of advice would you give to clients involved in your practice area matters?

1. **Apply for a CASP licence only when you are ready to operate**

By submitting the application, the applicant should be able to prove that it is already able to provide the crypto-asset services. The licensing proceedings are not a grace period in which the applicant is able to finish preparations. Therefore, before filing, the business model and the scope of services should be settled, the management body and key function holders should be in place and meet the fit and proper requirements, the information and communication technology (ICT) infrastructure should be operational and compliant with DORA, and the applicant should have enough capital to meet both the MiCA prudential requirements and the costs of the proceedings.

Preparation of the whole application package takes at least three months. We recommend using the pre-licensing meeting with the NBS to discuss the business model before filing. Once the application is filed, the NBS has 25 business days to assess whether it is complete, and it is very rare for an application to pass this stage without at least one request for additional information. In our experience, the licensing proceedings take at least five months from filing to decision, and often several months longer; the shortest proceedings in which we represented a client took four and a half months. Time invested in preparation is almost always recovered during the proceedings.

2. **Build genuine substance in Slovakia and plan the passport from day one**

There are no restrictions on foreign ownership, but the NBS expects real premises (not merely a registered office), business activity that also targets the Slovak market, and key compliance, risk-management and decision-making functions performed in Slovakia. Because the domestic market is small, most business plans depend on passporting services to other member states under Article 65 of MiCA. The business plan, governance and capital planning should therefore show how the CASP will grow across the EU while keeping its centre of gravity in Slovakia.

3. **Classify the token and model the tax before you launch**

Whether a token is an asset-referenced token, an electronic money token, another crypto-asset within MiCA, a financial instrument or a genuinely unique non-fungible token outside MiCA determines not only

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the applicable regime, the disclosure document (a white paper or a prospectus) and the marketing rules, but also the tax and VAT treatment. Tax deserves the same attention as regulation. For individual clients, every crypto-to-crypto exchange is taxable, and the exemption available for listed securities held for more than one year does not apply to direct holdings of crypto-assets. For CASPs, DAC8 reporting is an operational process that has to be built into onboarding and transaction systems, not added later. Because we advise on regulation, tax and accounting under one roof, we consider all three together when structuring our clients' crypto-asset business models.

3. What are the greatest threats and opportunities in your practice area law in the next 12 months?

Opportunities

The greatest opportunity is access to the regulator. As mentioned above, the NBS has a dedicated crypto-asset department and offers pre-licensing meetings (or pre-notification meetings) at which applicants can discuss their business model and open questions before filing. In our experience, the NBS approaches new business models pragmatically: rather than rejecting what is unfamiliar, it engages with how the model works and how the rules apply to it. For a new entrant, this kind of direct dialogue is a genuine competitive advantage, and it is often more difficult to obtain in larger, busier jurisdictions. A Slovak licence then opens the whole EU single market, from a euro-area member state.

The second opportunity is the tokenisation of traditional financial instruments. With the first NBS-approved prospectus for tokenised bonds in place and a passported DLT settlement system available, Slovak issuers can now issue, for example, bonds recorded directly on DLT rather than in a parallel traditional register.

The third opportunity is consolidation. Since the transitional period ended, operators without a MiCA licence can no longer serve clients in Slovakia, and some smaller CASPs are finding the ongoing compliance costs difficult to carry. For authorised CASPs, this is a chance to grow by acquiring client bases, technology and experienced teams from these operators, or by offering them partnership models under the CASP's own licence. For new entrants, including foreign groups, acquiring an existing Slovak CASP can be a faster and more straightforward route to the market than applying for a new licence. Nevertheless, any acquisition of a qualifying holding in a CASP requires prior assessment by the NBS under MiCA, so the buyer's ownership structure, source of funds and plans for the business must be ready for review, and the assessment should be built into the transaction timeline from the start.

Threats

The most immediate commercial threat is competition from CASPs passporting into Slovakia from other member states. Slovakia has around 5.4 million inhabitants and only six domestic CASPs, which compete for the same clients as large platforms authorised elsewhere in the EU, often with far bigger marketing budgets and economies of scale. Domestic CASPs will need to differentiate themselves through local presence, Slovak-language service and specialised products, or by passporting their own services abroad.

The second threat is regulatory uncertainty at EU level. In December 2025, the European Commission proposed transferring the supervision of all CASPs to the European Securities and Markets Authority

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(ESMA). The Council's position of 9 October 2026 would limit immediate ESMA supervision to the most significant cross-border CASPs, but the European Parliament has yet to adopt its position. The outcome will decide whether smaller CASPs keep the close supervisory relationship they currently have with the NBS. In parallel, the Commission's review of MiCA may extend regulation to decentralised finance, staking, crypto-asset lending and non-fungible tokens, which creates uncertainty for business models currently at the edge of the regulatory perimeter.

Finally, we also see the cumulative cost of compliance as a significant threat. Ongoing DORA obligations and the first DAC8 reporting cycle, which ends on 31 May 2027, will test the operational capacity of smaller CASPs. In a market of Slovakia's size, not all of them may find that cost sustainable.

4. How do you ensure high client satisfaction levels are maintained by your practice?

Legal, tax and accounting under one roof. Highgate Law & Tax works together with its affiliate, Highgate Accounting, so a client building a CASP, or already running a CASP, does not have to coordinate separate advisers for the licence application, the tax structuring, the accounting set-up and regulatory reporting. In crypto-asset matters, these questions are closely linked and answering them together avoids gaps and contradictions.

Specialisation and first-hand experience. We have a dedicated team of lawyers who specialise almost exclusively in financial regulation, fintech and capital markets. Having represented three of the six CASPs authorised in Slovakia, we know what the NBS expects in the licensing proceedings, where applications usually fall short and how long each stage really takes. We share this with clients at the outset of our engagement so that they can plan realistically and avoid serious obstacles later in the licensing process.

Senior involvement and responsiveness. Every matter is led by a partner or senior associate, who remains the client's day-to-day contact from the first meeting to the final decision. We aim to respond to client queries within one business day.

Predictable fees. For licensing and other project work, we agree a fixed fee or a capped budget for each phase, so that clients know the cost at the outset of our engagement.

Support beyond the licence. We continue to provide legal, tax and accounting services to our clients after authorisation, advising, for example, on regulatory changes, the expansion of their business models and NBS supervisory requests. Our regulatory and capital markets practice, which includes crypto-asset regulation, has been recognised by EPRAVO Group, which named us the best law firm in Slovakia for capital markets in its Slovak law firm competition for three consecutive years (2024 to 2026).

5. What technological advancements are reshaping your practice area law and how can clients benefit from them?

Regulated DLT market infrastructure. The most significant change is that securities can now be recorded directly on a distributed ledger within a regulated framework. Outside the DLT Pilot Regime, a tokenised security must still be issued in conventional book-entry or paper form, and the token merely mirrors the legally relevant record, so the issuer effectively runs two systems in parallel. Within the pilot regime, the DLT record can replace the book-entry record, provided the relevant exemption is granted. Because CDCP

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has passported its DLT settlement system into Slovakia, Slovak issuers can now use the pilot regime for their own securities issues without waiting for a domestic DLT market infrastructure. For issuers, particularly mid-sized companies issuing bonds to a broad investor base, this can mean lower issuance and administration costs, faster settlement and simpler transfers. The planned broadening of the pilot regime should make it suitable for larger issues as well.

Compliance technology. Our CASP clients rely on specialised tools for compliance with the travel rule (such as Notabene), blockchain analytics, sanctions screening and automated transaction monitoring. These tools allow a small CASP to meet obligations that would otherwise require large compliance and IT teams, and because the NBS expects an applicant to be ready to operate, they need to be in place before the application is filed. We help clients reflect the use of these tools accurately in their internal ICT policies, including arrangements on ICT third-party risk, so that the technology and the documentation submitted to the NBS describe the same process.

Artificial intelligence (AI). CASPs increasingly use AI for fraud detection, transaction monitoring and client communication. The technology does not shift responsibility: the regulated entity remains accountable for automated outputs, and Regulation (EU) 2024/1689 adds transparency obligations, for example where chatbots communicate with clients. Clients benefit most when AI is introduced with appropriate governance from the start rather than adjusted after a supervisory inspection. AI is also changing how we work as a law firm. We use AI tools for legal research, document review and the comparison of regulatory texts and supervisory guidance across member states, which allows us to research questions in greater depth and to handle routine tasks faster. The time saved goes into what the clients value most: practical, well-reasoned advice on their specific business model. The same principle applies to us as to our clients: every output is reviewed by a lawyer, and client data is processed only in tools that meet our confidentiality and data-protection standards.

6. Describe a particularly interesting or complex matter you have advised on recently, and explain the challenges involved, your approach, and the outcome achieved for the client?

We advised our client, at the time a virtual asset service provider and now a CASP authorised in Slovakia, on the first application for CASP authorisation filed with the NBS under MiCA, covering the exchange of crypto-assets for funds and other crypto-asset services.

Challenges

As the first applicant in Slovakia, the client had no precedent to follow. Three issues were particularly demanding:

- Incomplete legislative framework. When we prepared the application, many of the delegated and implementing acts to MiCA, which set out the detailed content of the various schedules to the application, had not yet been finalised. We therefore had to work with the draft and working versions of these acts and build the application so that it would remain compliant once the final texts were adopted.
- No supervisory practice. The NBS had no prior experience with MiCA authorisations, so the standards for the content, structure and level of detail of the application had to be set during the

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proceedings, in dialogue between the applicant and the regulator.
- Prudential requirements. The calculation of prudential requirements for the exchange of crypto-assets for funds raised difficult questions. Because the own-funds requirement under MiCA also depends on the applicant's fixed overheads, the way the service was set up had a direct impact on the capital the client would have to hold.

Our approach

Where the delegated and implementing acts were not yet final, we followed the latest available drafts and explained our approach to the NBS. To address the prudential requirements, we worked together with our colleagues at Highgate Accounting and, following discussions with the NBS during the licensing proceedings, adapted the client's business model so that the exchange service did not increase the applicant's fixed costs from an accounting perspective. Throughout the proceedings, we handled all communication with the NBS and worked with it to agree a workable approach to issues on which there was not yet any supervisory practice.

Outcome

The NBS granted the authorisation 11 months after the application was filed. These were the longest CASP licensing proceedings we have handled, reflecting the challenges described above. Beyond the result for the client, the proceedings set standards that we have built on in our subsequent authorisation proceedings before the NBS, including those for the other CASPs we have represented. We continue to advise the client on ongoing regulatory compliance.

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