

UDC 336.22:004.738.5(477)

## TAXATION OF VIRTUAL ASSETS IN UKRAINE: LEGAL CHALLENGES AND PROSPECTS FOR INTEGRATION INTO THE GLOBAL FINANCIAL SYSTEM

**Olha Maletska***PHD, Associate Professor,**ORCID: 0000-0002-0004-7605**Department of Accounting and Taxation**Stepan Gzhytskyi National University of Veterinary Medicine and Biotechnologies Lviv, (Ukraine).*

**Abstract.** *The article explores the key aspects of legal regulation and taxation of virtual assets in Ukraine amid economic transformation and the rise of digital technologies. It analyzes the adopted Law of Ukraine "On Virtual Assets," prospects for amendments to the Tax Code of Ukraine, and the proposed taxation model for cryptocurrencies. The study identifies potential benefits of implementing a transparent tax system for digital assets, including increased investment attractiveness of Ukraine, legal certainty, and growth in budget revenues. The main challenges are outlined, such as the decentralized nature of cryptocurrencies, the need for effective oversight, preventing tax evasion, and conducting public awareness campaigns. The findings can be useful for policymakers, tax authorities, and participants in the crypto market.*

**Keywords:** *virtual assets, cryptocurrency, taxation, Law of Ukraine, Tax Code, digital economy, mining, financial control, legalization, transparency*

**Introduction.** The rapid development of digital technologies has led to the emergence of new asset forms—virtual ones. Cryptocurrencies, tokens, and NFTs have become not only investment instruments but also full-fledged components of financial markets. At the same time, the lack of unified regulatory standards poses serious challenges to the tax system. This issue is particularly relevant for Ukraine, which is trying to integrate modern approaches to accounting and taxation amid martial law and economic transformation. The growing popularity of digital assets raises logical questions about their legal status and taxation.

**Main text.** The adoption of the Law of Ukraine “On Virtual Assets” by the Verkhovna Rada in 2021 was the first step toward the legalization of digital assets. The law defines a virtual asset as an intangible benefit in the form of a digital record in a system that has value. However, the President of Ukraine initially vetoed the law. On March 15, 2022, the President signed the updated version of the Law of Ukraine

“On Virtual Assets,” making significant strides toward full regulation and taxation of virtual assets. The law defines a virtual asset as an intangible good that is a subject of civil rights, has value, and is represented as a set of data in electronic form. It also provides for the protection of the rights of asset owners and clients.

However, for the full launch of the virtual asset market and its taxation, appropriate amendments to the Tax Code of Ukraine are necessary. Currently, draft laws aimed at regulating this issue are actively being discussed and developed.

To legalize operations with virtual assets in Ukraine, a taxation system is proposed based on the principle of taxing actual profit—tax would be paid only on real income derived from buy-sell operations, i.e., on the difference between the sales revenue and the acquisition cost. For individuals, the proposed tax rate is 18% personal income tax and 1.5% military levy, while for legal entities, the rate is 18%. During a transitional period in 2026, individuals will be allowed to apply a preferential personal income tax rate of 5% without the obligation to document expenses. A full rate will be applied starting in 2027.

At the same time, several exemptions are foreseen: exchanges between one virtual asset and another will not be taxed, income up to the amount of one minimum wage will be exempt from taxation, and mining activity is likely not to be subject to taxation. Tax reporting will be done via self-declaration. Operations with virtual assets will be prohibited for single tax payers, as well as the use of the simplified taxation system by service providers related to virtual assets. A mechanism for recognizing losses in the case of asset sales below acquisition cost will also be introduced.

The regulatory authorities in this sphere are expected to be the National Securities and Stock Market Commission and the National Bank of Ukraine.

The implementation of clear legislation on the taxation of virtual assets is a crucial step toward legalizing and developing the crypto industry in Ukraine. It will attract investment, ensure the protection of investor rights, and increase state budget revenues.

However, a number of challenges remain, including:

- 1) Ensuring an effective mechanism for accounting and monitoring operations with virtual assets, given their decentralized nature;
- 2) The need to educate and inform the public and businesses through extensive outreach on new tax rules;
- 3) The development of mechanisms to prevent the use of virtual assets for money laundering and tax evasion.

**Summary.** Ukraine stands at the threshold of major changes in the regulation and taxation of virtual assets. The adoption of appropriate laws and the implementation of tax rules will open new opportunities for the development of the digital economy but will require coordinated efforts from government institutions, market participants, and society to successfully realize these reforms.

#### References:

1. European Business Association. (2022, April 1). *Law of Ukraine "On Virtual Assets"*. [Online resource]. Available at: <https://eba.com.ua/zakon-ukrayiny-pro-virtualni-aktyvy/>
2. Verkhovna Rada of Ukraine. (2022, February 17). *Law of Ukraine "On Virtual Assets" No. 2074-IX*. [Online resource]. Available at: <https://zakon.rada.gov.ua/laws/show/2074-20#Text>
3. Verkhovna Rada of Ukraine. (2010, December 2). *Tax Code of Ukraine No. 2755-VI (with amendments)*. [Online resource]. Available at: <https://zakon.rada.gov.ua/laws/show/2755-17#Text>
4. Ministry of Digital Transformation of Ukraine. (n.d.). *Regulation of the Virtual Asset Market in Ukraine: What's Next?* [Online resource]. Available at: <https://thedigital.gov.ua/>

5. Bundesministerium der Finanzen. (n.d.). *Taxation of Cryptocurrencies in Germany: FAQs on Tax Liability*. [Online resource]. Available at: <https://www.bundesfinanzministerium.de/>

6. Japan National Tax Agency. (n.d.). *Taxation of Crypto Assets*. [Online resource]. Available at: <https://www.nta.go.jp/>

sent: 19.06.2025

© Maletska O.I.