



Cryptocurrency capital gain can be tax exempt in Belgium, October 2018

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The Belgian taxation of cryptocurrency capital gains on behalf of private investors is marked by some legal uncertainty. In absence of explicit tax rules, it is up to practitioners and the tax administration to rule upon the tax treatment, in view of the general tax rules. Earlier, the Belgian Ruling Office had already stated that applications for a ruling would be judged on a case-by-case basis, taking into account a list of 17 questions (see the news section on our website, date June, 4, 2018).

In two recent rulings, the Ruling Office now confirmed to our firm that the capital gains in the files at stake, could be seen as capital gains obtained within the 'normal management of a private estate'. Hence, these capital gains remain tax free. In the case at hand, the capital gains relate to a divestment of cryptocurrency coins for the value of the initial total investment made by the taxpayers. The capital gains are deemed not to be speculative, a.o. because the applicants were not active in the financial sector, have made investments with personal savings in a balanced (buy-and-hold) way and are not obtained within a short timeframe.

The Ruling Office in any event deserves the merit for her willingness to openly discuss the matter, which is not self-evident given the lack of specific tax legislation. Other taxpayers should of course be aware that a ruling decision does not set a general principle, and is only binding for the parties involved. We are nonetheless happy that legal certainty was obtained for our clients.

In case of questions in relation to this topic, please feel free contact us at office@sanseninternational.tax

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