

Putin Signs Law on Cryptocurrency Tax

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Mining farm in technopolis "Moscow". Kirill Zykov / Moskva News Agency

President Vladimir Putin [signed](#) a law Friday that created the legal framework to tax cryptocurrency mining and transactions, as Russia seeks to regulate its cryptocurrency industry.

The new law recognizes digital currency as property in amendments to Russia's Tax Code.

While exempting cryptocurrency mining and sales from the value-added tax (VAT), the law requires mining operators to report to local authorities or pay a fine of 40,000 rubles (\$380).

Cryptocurrency trading will be subject to income taxes, tiered at 13% for earnings of up to 2.4 million rubles (\$22,300) and 15% above that.

Corporate entities will be subject to the standard corporate tax rate of 25%, starting next year.

Most of the law's provisions are expected to enter into force immediately, with certain delayed exceptions.

Russia, one of the world's leaders in cryptocurrency mining, reportedly expects to collect up to 200 billion rubles (approximately \$2 billion) a year from miners.

Related article: [Russia Bans Winter Cryptocurrency Mining in Siberia, North Caucasus and Occupied Ukraine](#)

Russia's tax service [launched](#) a database of government-approved large-scale miners on Nov. 1 under a law that Putin signed in August.

Another law passed around the same time allows Russia's Central Bank to set up a pilot project exploring cross-border transactions using cryptocurrency.

Russia hopes that digital cryptocurrency transactions, which are harder for Western regulators to track, will make it easier to purchase banned goods on the international market.

The United States has threatened to sanction banks in countries such as China, Turkey and the United Arab Emirates if they help Moscow get ahold of banned military goods, or trade with Russian companies that have been sanctioned.

AFP contributed reporting.

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