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### LEGAL OPINION ONECOIN

We have been asked to assess the legality of cryptocurrency by our client, OneCoin Ltd.

A cryptocurrency is a digital commodity created according to strict mathematical principles by a complex algorithm, thereby generating a finite supply. Unlike normal currencies, which are printed by central banks, cryptocurrencies are inflation-proof and respond to supply and demand like any other commodity.

As a result, most countries have recognized cryptocurrencies as a bona fide commodity, which may be held and traded by their citizens.

In our opinion the 'OneCoin' is a legitimate product, limited to 2.1 Billion.

Below is a list of countries, in which cryptocurrency is legal as of 1 September 2014.

**Legality of OneCoin by country**

<b>Country</b>	<b>Legal</b>	<b>Comments</b>
Algeria	Yes	
Australia	Yes	Companies are allowed to trade in OneCoins and buying or mining OneCoins is not considered illegal. The Australian Taxation Office has announced that users will soon be able to declare on tax returns.
Belgium	Yes	The government has decided to take a hands-off approach to the currency. Belgium's finance minister has publicly stated that he sees no problem with the currency and that the national bank would have no objections to it. The country's money laundering agency has also not released any guidelines or warnings against cryptocurrency.
Brasil	Yes	cryptocurrency holders can file capital gains on their tax returns.
Bulgaria	Yes	For the purpose of applying laws governing income taxes, cryptocurrency is considered a financial instrument.
Canada	Yes	The Canada Revenue Agency issued a statement that tax rules apply when cryptocurrency is used to pay for goods and services in the Same way the rules apply for barter transactions.
China	Yes	
Hong Kong	Yes	OneCoin will not be regulated by HKMA because it is only a virtual commodity.
Taiwan	Yes	The Central Bank views cryptocurrency similar to precious metals transactions.
Colombia	Yes	The SFC stated that cryptocurrency is an asset that has no equivalent statutory legal tender in Colombia and it is for people to know and accept the risks inherent in their operations with cryptocurrency.
Cambodia	Yes	
Denmark	Yes	The FSA stated that doing business with cryptocurrency does not fall under its regulatory authority and therefore FSA does not prevent anyone from opening such businesses.
Finland	Yes	The country issued a regulatory guide to cryptocurrency, which imposed capital gain tax on the coins and taxes coins produced by mining as earned income.
Germany	Yes	The German Finance Ministry announced that cryptocurrency is a "Unit of account" and can be used for the purpose of tax and

		trading in the country.
Ghana	Yes	
India	Yes	
Indonesia	Yes	
Israel	Yes	Cryptocurrency is considered as an appropriate form of payment.
Ivory Coast	Yes	
Japan	Yes	There is no law to unconditionally prohibit individuals or legal entities to receive cryptocurrency as exchange of goods or services. Taxes may be applicable to OneCoins.
Jordan	Yes	
Kenya	Yes	
Lebanon	Yes	
Lithuania	Yes	
Malaysia	Yes	
Nigeria	Yes	
Norway	Yes	The Norwegian Tax Administration defines cryptocurrency as an asset and profits are subjected to wealth tax. In business use of cryptocurrency falls under the sales tax regulation.
Philippines	Yes	cryptocurrency exchanges are not regulated by BSP.
Poland	Yes	
Russia	Yes	The Central Bank clarified that there are no plans for ban on any cryptocurrency.
Rwanda	Yes	
Slovenia	Yes	There is no capital gains tax chargeable on cryptocurrency but businesses selling goods/services in cryptocurrency are taxed.
Singapore	Yes	Whether or not businesses accept cryptocurrency is a commercial decision in which MAS does not intervene.
South Africa	Yes	
South Korea	Yes	
Sweden	Yes	

Switzerland	Yes	
Taiwan	Yes	
Thailand	Yes	Cryptocurrency can be traded in the country so long as it's converted to/from Thai baht.
Turkey	Yes	
Uganda	Yes	
UK	Yes	Cryptocurrency is treated as "private money". Profits and losses on cryptocurrencies are subject to capital gains tax.
United States	Yes	Cryptocurrency is legal means of exchange and online payment systems, both centralized and decentralized, offer legitimate financial services.
Vietnam	Yes	

Kind regards



Rechtsanwalt