

Overview of the crypto assets market in Slovakia

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Introduction

In recent years, the market with crypto assets has rapidly expanded and developed. At the same time, the number of providers of crypto assets and related services is growing. Also, within the Slovak Republic, several companies have been established that operate in this area, while they are not financial market entities over which the National Bank of Slovakia (NBS) exercises its supervision. However, the recently published proposal for European crypto assets regulation¹ suggests that crypto assets business may soon become a regulated and supervised activity.

The NBS's priorities include a welcoming approach to innovative companies. Therefore, in 2019, an NBS Innovation hub was established. In the first year of operation of the NBS Innovation hub, the most submissions came from companies operating on the crypto assets market.² Meetings with several crypto assets companies took place as part of the NBS's Innovation hub. Through these meetings, the NBS also developed an idea of the structure of the Slovak crypto assets market. The overview obtained by the NBS thanks to the NBS's Innovation hub may not be complete.

In connection with the discussions on the creation of a European regulatory framework for crypto assets, it is crucial for the NBS to have knowledge of the domestic crypto assets market. This sector has not created a representative association that would provide an objective and comprehensive picture and therefore the NBS decided to map the providers of crypto assets and crypto assets-related services operating in the Slovak Republic. This document summarizes answers of individual respondents to the questionnaire prepared by NBS and provides an overview of domestic crypto assets market.

¹ Proposal of European regulation on cryptovassets is available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020PC0593>

² Activity report of NBS Innovation hub available at: https://www.nbs.sk/_img/Documents/_Publikacie/fintech/AR-IH-NBS-2020-05.pdf

1 Summary

The crypto assets questionnaire was opened for answers from September 21st, 2020 to October 12th, 2020 and contained a total of 45 questions. Since companies providing services related to crypto assets (crypto assets companies) are not supervised entities, it was not mandatory for them to complete this questionnaire. A total of 21 respondents answered voluntarily to the crypto assets questionnaire. However, only 18 responses were considered in this evaluation. Two answers had to be disregarded because they were not meant seriously. In one case two different answers came from one subject, the NBS therefore considered only the first response of this crypto assets company.

The primary goal of the crypto assets questionnaire was to map crypto assets companies operating in Slovakia. The NBS turned to 50 entities by email, of which it was informed that they are active in the Slovak Republic. Other subjects received information about the possibility to fill in the crypto assets questionnaire from the Center for Financial Innovations of the Ministry of Finance of the Slovak Republic and from other entities that also shared information with each other via social networks. Based on the relevant answers received, it is possible to obtain a basic overview of the Slovak crypto assets market.

1.1 Crypto assets companies in Slovakia

Approximately 90% of respondents are based in the Slovak Republic (SR), the remaining entities are based in the Czech Republic and Singapore. These are usually small companies. As many as 80% of respondents have 0-5 employees, the remaining 20% have up to 15 employees. This small numbers of employees are a consequence of the fact that the crypto assets market in the Slovak Republic is relatively young. Up to 70% of respondents were established only in the last three years. Therefore, these companies also have a relatively small number of clients. Only 35% of respondents had more than 500 clients in 2019. The limited number of clients was naturally reflected in sales, only 25% of respondents exceeded the limit of 1 million EUR in sales in 2019. Although the crypto assets market is international, respondents primarily focus on the Slovak market. Approximately 80% of respondents stated that they had majority of clients from Slovakia.

One of the problems in communication between the Ministry of Finance of the Slovak Republic, the NBS and Slovak crypto assets companies is the lack of an association that would unite most of the market, as it is common in other sectors of the financial market. This assumption was also confirmed in the crypto assets questionnaire, when less than 50% of respondents stated that they were a member of an association or organization.

1.2 Analysis of activities of crypto assets companies

The crypto assets companies that participated in the crypto assets questionnaire illustrate the diversity of the crypto assets market. 4 respondents focus on the operation of crypto assets ATM (free-standing devices enabling the purchase and sale of crypto assets for cash) as their primary activity, 3 respondents focus on the purchase

and sale of crypto assets for fiat money (in cashless manner) and 3 involved entities provide consulting services. 2 respondents consider the provision of wallet custody services to be their main activity. 2 companies focus on payment services with crypto assets (payment gateway). Only 1 respondent identified itself as a crypto assets exchange. In addition to this main activity, respondents engage in several other activities related to crypto assets activities. However, an interesting finding from the crypto assets questionnaire is the fact that no respondent provides loans in crypto assets. In addition to the activities related to crypto assets, half of the respondents also engage in other activities, most often in various IT services.

1.3 Problems related to crypto assets business

Respondents consider the lack of regulation, problems with keeping a bank account in Slovak banks and a high tax burden to be the biggest obstacles to business development in the Slovak Republic.

Although more than 70% of respondents have an account at a Slovak bank or a branch of a foreign bank domiciled in the Slovak Republic, only less than a third did not have any problems with a bank account. As many as two thirds of the respondents have experienced that they were not allowed to open an account, or that the Slovak bank account was closed to them. As a rule, banks usually do not justify such decisions. The negative attitude of Slovak banks towards crypto assets companies significantly threatens their business and forces respondents to use the services of foreign banks.

A large part of the respondents is convinced that one of the reasons for closing accounts is the lack of regulation of crypto assets in the Slovak Republic. For this reason, more than 80% of respondents think that regulation of this area is needed. A slight majority of these entities support the maximum harmonization of crypto assets regulation at the European Union (EU) level. According to the respondents, countries such as Lithuania, Estonia, Switzerland, Liechtenstein, Germany and France should be the inspiration for future regulation.

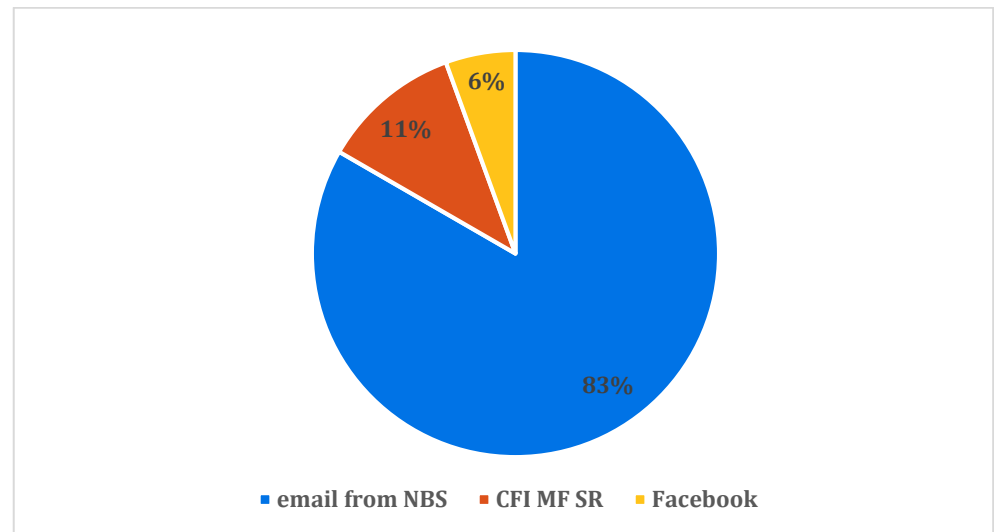
2 Overview of answers to questionnaire

2.1 Information on respondents

QUESTION 5 and 6: From what source did you learn about this questionnaire? List another source from which you learned about the crypto assets questionnaire?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

Most entities learned about the questionnaire via email from the NBS (15), then through the Center for Financial Innovations of the Ministry of Finance of the Slovak Republic (2) and 1 entity learned about the questionnaire from the group on the social network Facebook - BitcoinCZ.

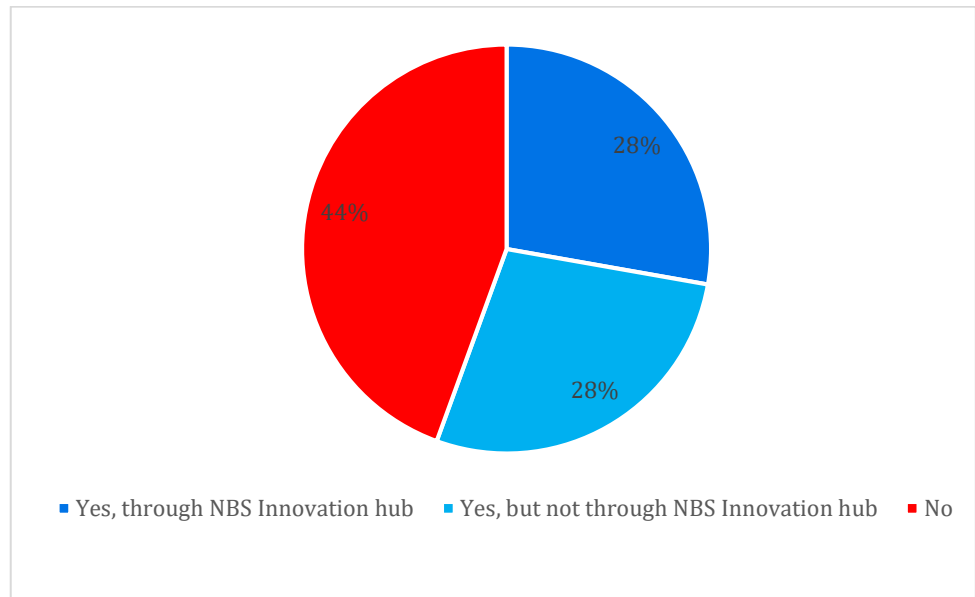


Graph 1 - From what source did you learn about this crypto assets questionnaire?

QUESTION 7: Have you contacted the NBS in the past in connection with your business activities?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

8 entities have not yet been in contact with the NBS, 5 entities communicated with the NBS through the NBS Innovation Hub and 5 entities were in contact with the NBS, but not through the Innovation Hub.

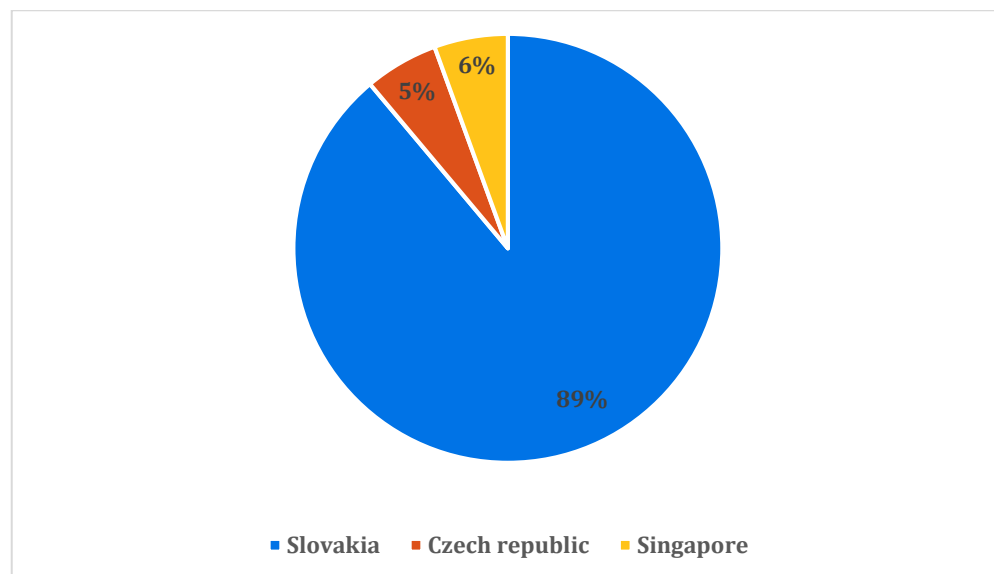


Graph 2 - Have you contacted the NBS in the past in connection with your business activities?

QUESTION 8 and 9: In which state does your company have a registered office? In which other state does your company have a registered office?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

A total of 16 entities have their registered office in Slovakia, 1 entity has its registered office in the Czech Republic and one in Singapore.

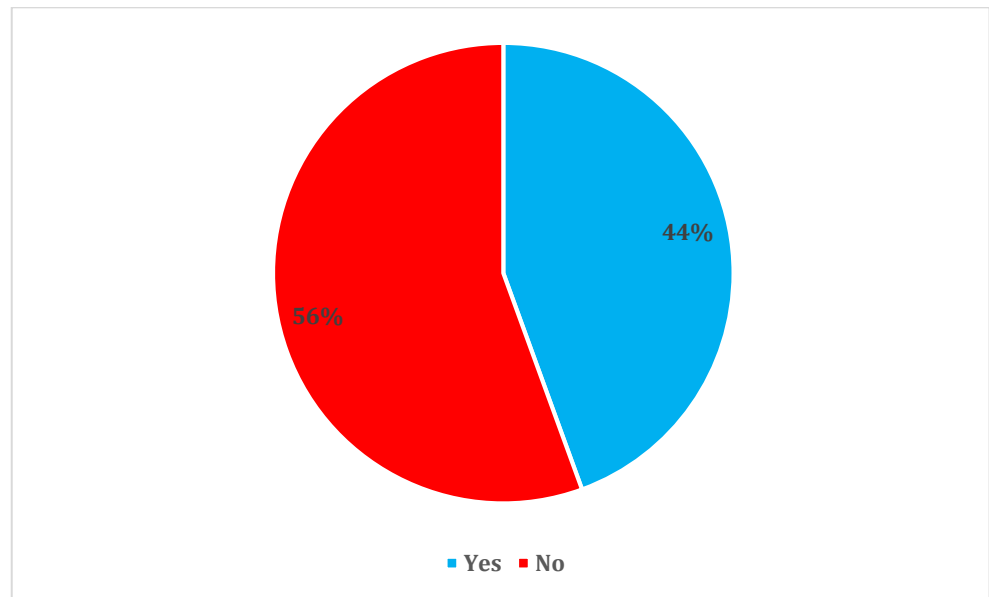


Graph 3 - In which state does your company have a registered office?

QUESTION 10 and 11: Are you part of an association or an organization? Which associations or organizations is your company part?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

Only a minority, namely 8 respondents, are part of an association or organization. The remaining 10 entities are not part of an association or association.



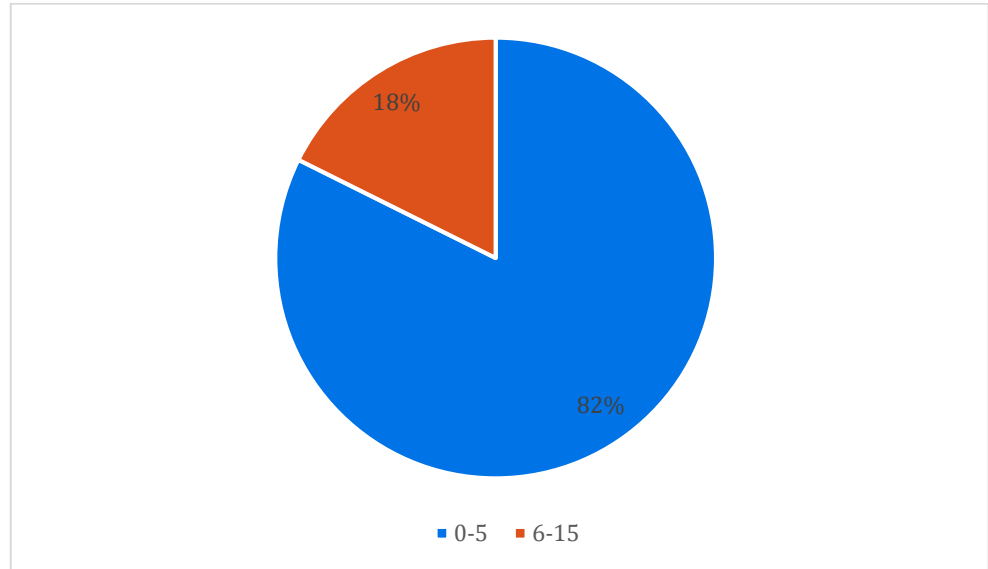
Graph 4 - Are you part of an association or an organization?

Some entities are also members of several associations. Most respondents, namely 4, are members of Blockchain Slovakia, 3 are members of the Slovak Fintech Association. Only 1 respondent is part of the remaining named associations: Finas, Digital Exchange Association, Czech Cryptoassociation, ITAS, IATA.

QUESTION 12: How many employees does your company have?

Number of answers to the question	17	Ratio of answers to the number of respondents 94%
Total number of respondents	18	

Most entities have up to 5 employees (14), and only 3 entities have between 6 and 15. More than 15 employees do not currently have any respondents.

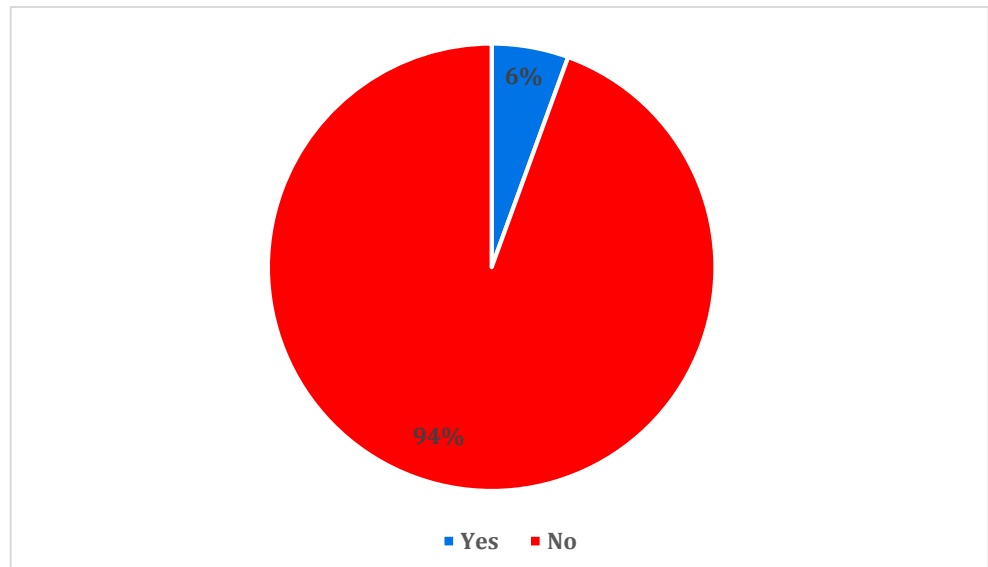


Graph 5 - How many employees does your company have?

QUESTION 13: Does your company also pay its employees through crypto assets?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

Only 1 entity confirmed that it pays its employees in crypto assets. The remaining 17 respondents do not reward their employees in this way.



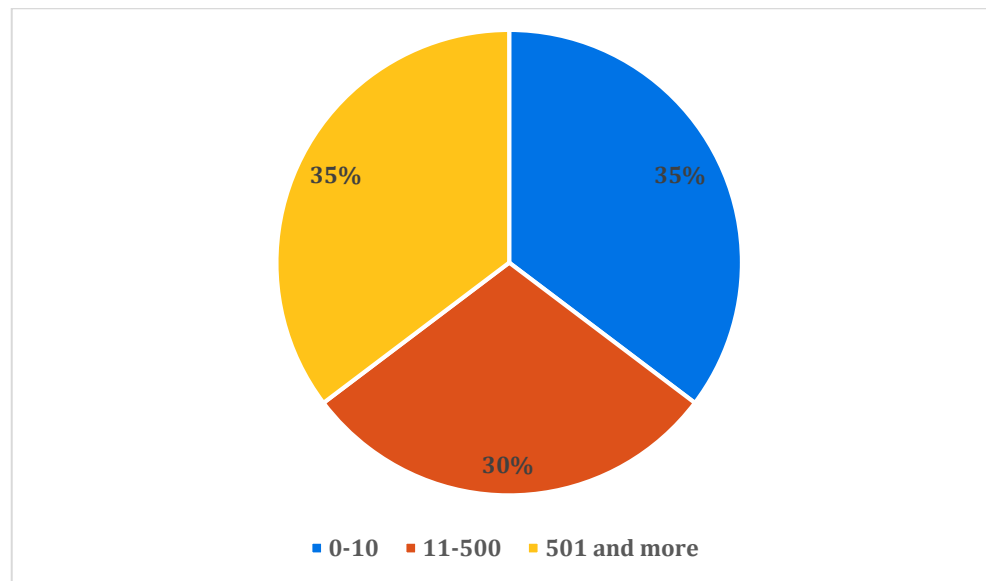
Graph 6 - Does your company also pay its employees in crypto assets?

QUESTION 14 and 15: How many clients used your crypto assets services in 2019? What percentage of your clients were Slovak natural and legal persons in 2019?

Number of answers to the question	17	Ratio of answers to the number of respondents 94%
Total number of respondents	18	

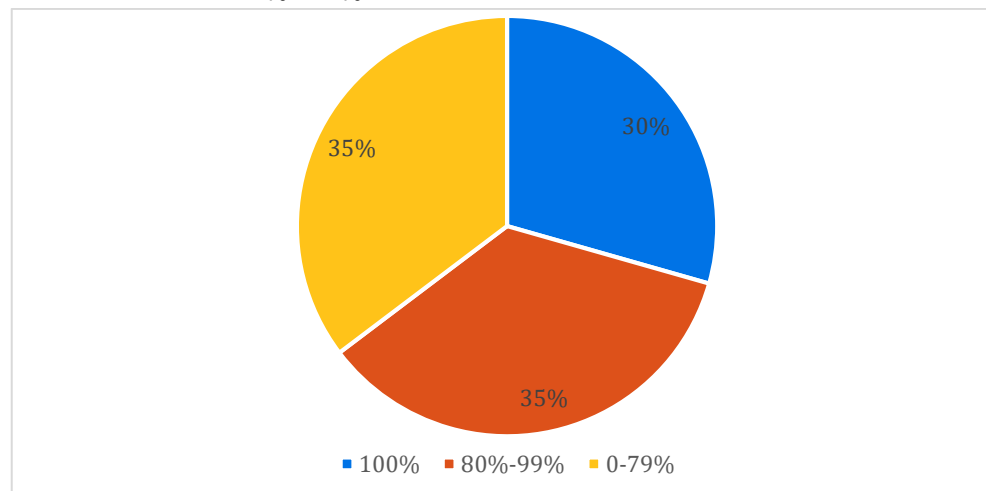
When asked how many clients used crypto assets services in 2019, subjects answered as follows: 6 subjects had 0-10 clients, 5 subjects had answers in the range of 11-500 clients and only 6 subjects stated that in 2019 they had more than 500 clients.

Since the respondents are not supervised entities, the NBS does not have the opportunity to verify these answers. However, it can be assumed that some of the entities that listed up to 10 clients simply did not want to publish numbers on the current number of their clients.



Graph 7 - How many clients used your crypto assets services in 2019?

When asked what percentage of your clients were Slovak natural and legal persons in 2019, there were 17 subjects that answered. In 5 cases it is a 100% share of Slovak natural and legal persons, in 6 cases it is a share between 80% and 99%, and in six cases it is a share between 0% - 79%.

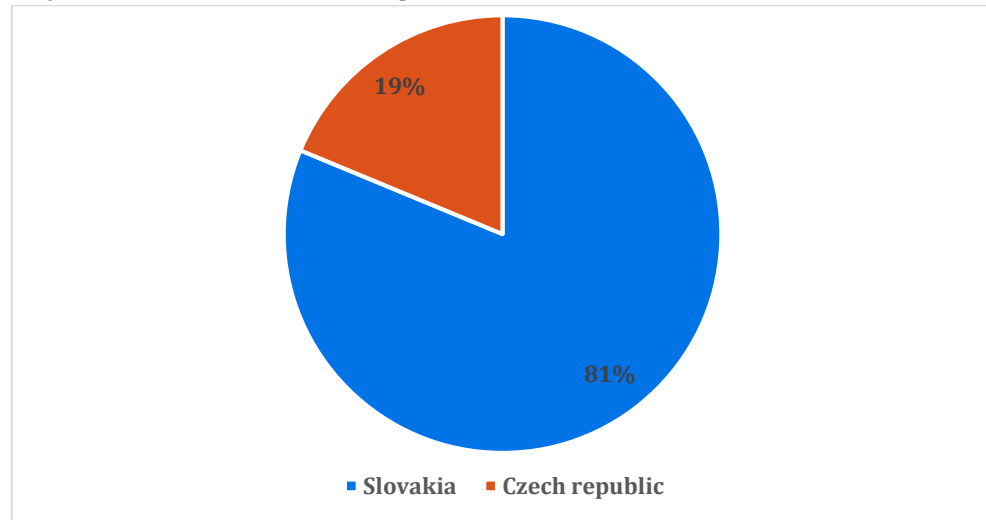


Graph 8 - What percentage of your clients were Slovak natural and legal persons?

QUESTION 16 and 17: From which country did you have the most clients in 2019? Specify another state from which you had the most clients in 2019.

Number of answers to the question	16	Ratio of answers to the number of respondents 89%
Total number of respondents	18	

13 entities stated that they have the most clients from Slovakia, 3 entities stated that they have them from the Czech Republic.



Graph 9 - From which country did you have the most clients in 2019?

QUESTION 18: How do you acquire new clients? How do you provide marketing and advertising?

Number of answers to the question	15	Ratio of answers to the number of respondents 83%
Total number of respondents	18	

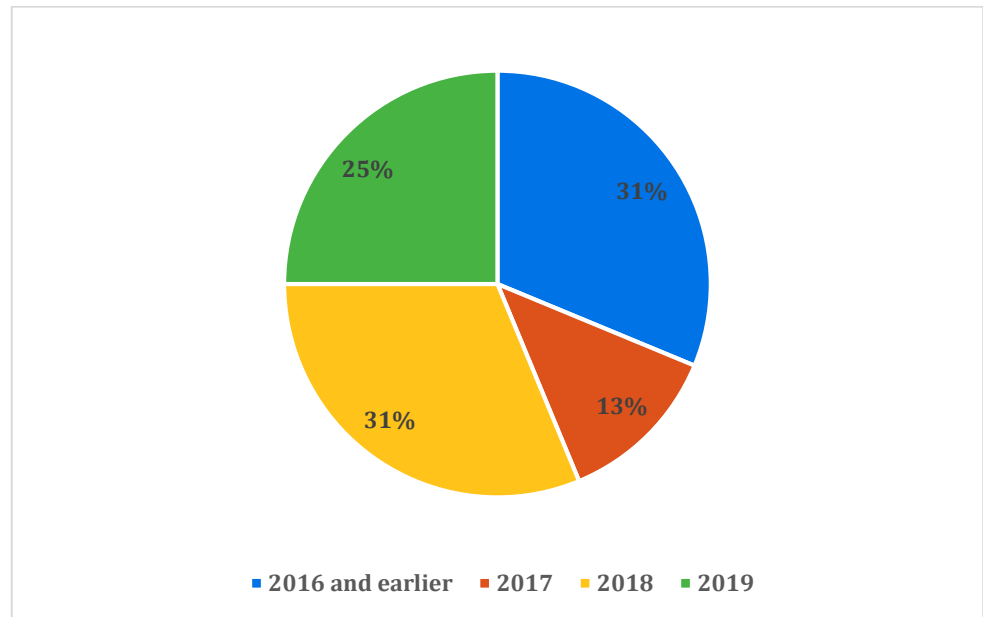
Most respondents acquire new clients online, via the Internet, with several entities using primary social networks (4). In addition to the Internet, respondents also use conferences, events and personal meetings for marketing. Personal references and recommendations from existing customers continue to play an important role.

2.2 Activities of respondents

QUESTION 19: From which year do you provide services related to crypto assets on the Slovak market?

Number of answers to the question	16	Ratio of answers to the number of respondents 89%
Total number of respondents	18	

5 entities have been providing cryptoasset-related services since 2016 and earlier, 2 entities since 2017, 5 entities since 2018, 4 entities since 2019. No respondent indicated that they would start providing their services during this year.

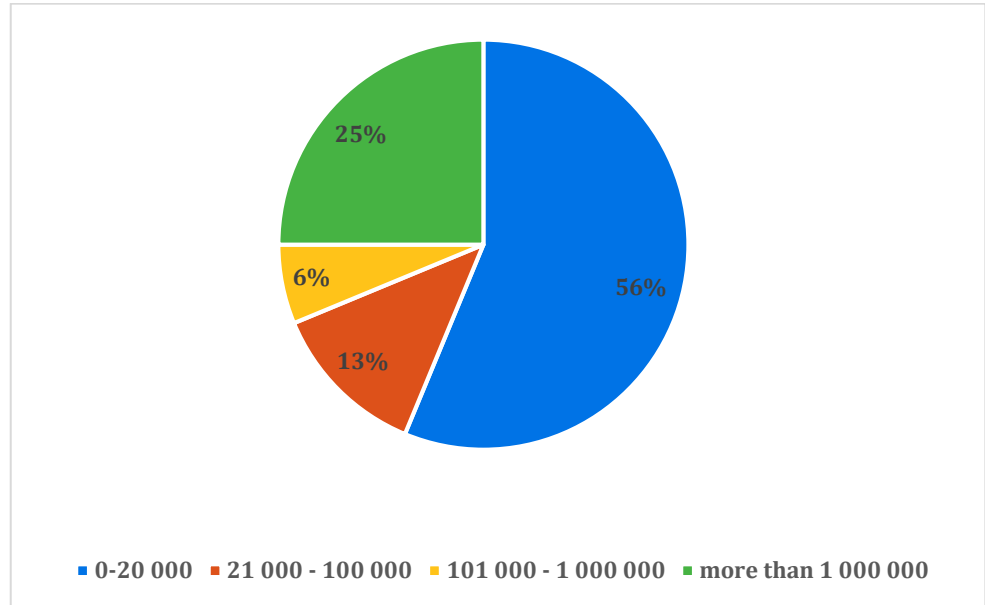


Graph 10 - From which year do you provide services related to crypto assets on the Slovak market?

QUESTION 20 and 21: What revenues from the provision of your services related to crypto assets did you earn in 2019? What share of your total revenues from services related to crypto assets in 2019 represented revenues from services provided in the Slovak Republic?

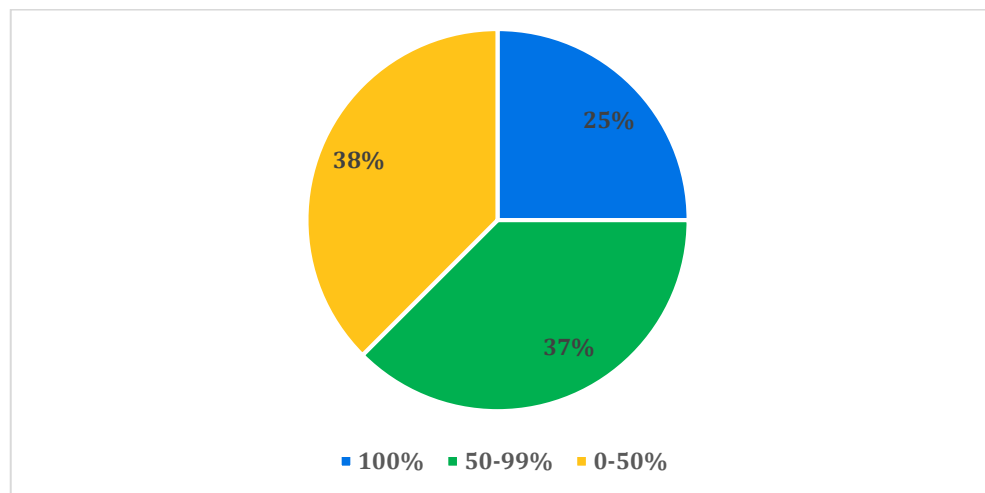
Number of answers to the question	16	Ratio of answers to the number of respondents 89%
Total number of respondents	18	

Revenues from the provision of services related to crypto assets in 2019 were relatively diverse. 9 entities had revenues from 0 to 20,000 EUR, 1 entity had revenues between 21,000 and 100,000 EUR, 2 entities, had revenues from 101,000 to 250,000 EUR and 4 entities had revenues of more than 1 mil. EUR. Again, it is likely that some of the entities that reported revenues below 20,000 EUR did not want to disclose their current revenues.



Graph 11 - What revenues from the provision of your services related to crypto assets did you achieve in 2019?

16 entities answered the question concerning what share of total revenues from services related to crypto assets in 2019 represented revenues from services provided in the Slovak Republic. Of these, 4 subjects reported 100%, 6 subjects reported between 50 and 99% and 6 subjects reported less than 50%.

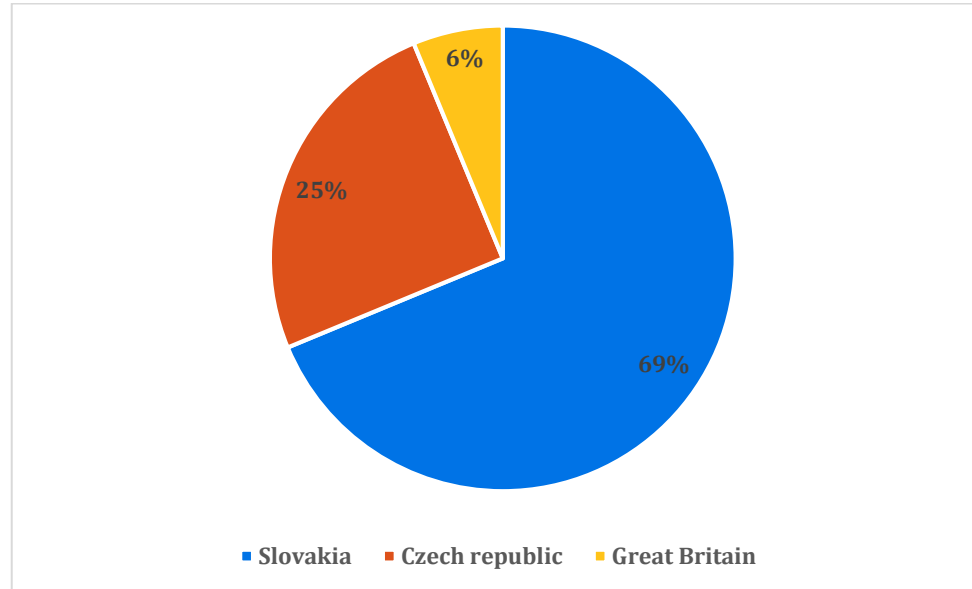


Graph 12 - What share of your total revenues from services related to crypto assets in 2019 represented revenues from services provided in the Slovak Republic?

QUESTION 22 and 23: In which state did you record the largest revenue from crypto assets-related services in 2019? Please specify another country in which you recorded the largest revenue from crypto assets-related services in 2019.

Number of answers to the question	16	Ratio of answers to the number of respondents 89%
Total number of respondents	18	

Most respondents (11) stated that they have the highest number of clients from Slovakia, 4 subjects mentioned the Czech Republic and 1 respondent mentioned Great Britain.



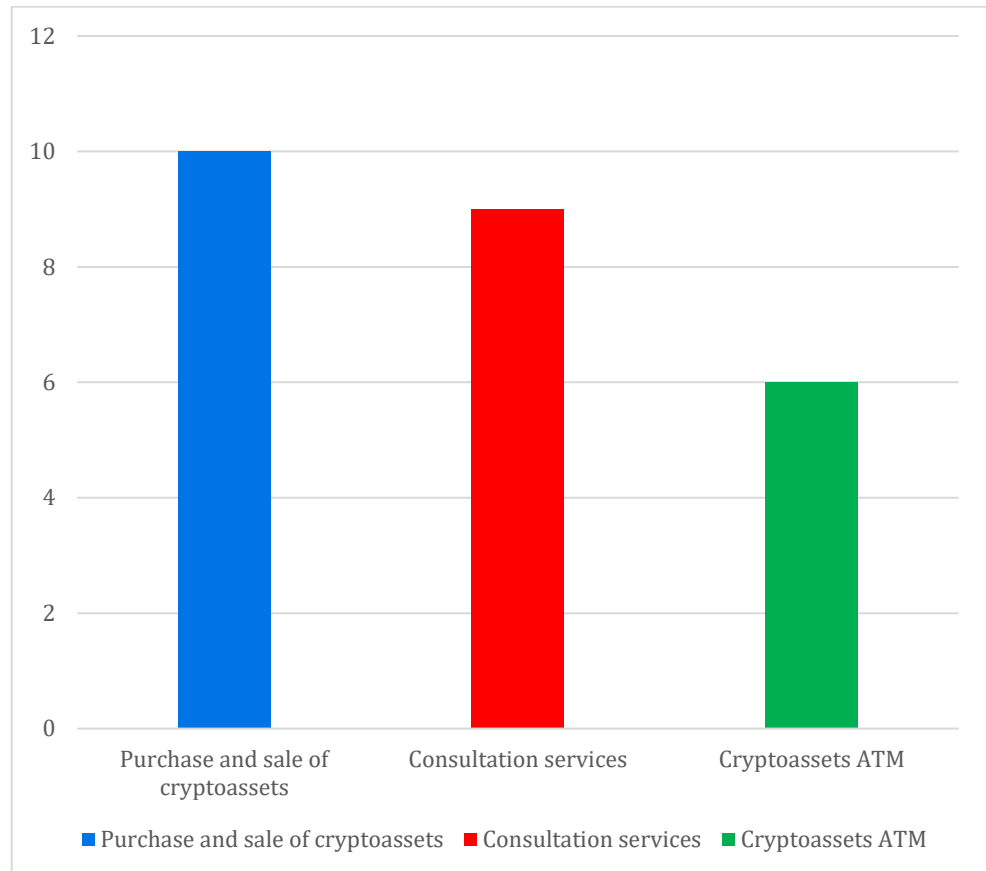
Graph 13 - In which state did you record the largest revenue from crypto assets-related services in 2019.

QUESTION 24 and 25: What crypto assets-related services do you currently provide? What other crypto assets-related services do you currently provide?

Number of answers to the question	17	Ratio of answers to the number of respondents 94%
Total number of respondents	18	

When asked about what crypto assets services do you currently provide, 17 entities answered, by quoting combined activities. Of these, 10 entities answered that they are engaged in the purchase and sale of crypto assets for fiat currencies, 9 respondents mentioned consulting services, 6 entities stated that they are engaged in the operation of crypto assets ATM, 5 entities provide wallet services for crypto assets storage and 3 entities engaged in investment services by buying and selling crypto assets on behalf of the client. Up to 3 subjects offer their own stablecoin and three subjects offer their own crypto assets other than stablecoin. Mining, or support for the extraction of crypto assets, is handled by 2 entities. Among the respondents, there were 2 entities that deal with the activity of the crypto assets exchange, as well as 2 entities that provide payment gateway and POS terminal services. An interesting finding is that no respondent is involved in providing loans in crypto assets.

Only 4 respondents answered the question of what other crypto assets services do you provide, as most of them described their activities in the previous question. 1 entity deals with software development and smart contracts and asset tokenization. Another respondent offers logistics services and technical advice. Another entity deals with its own blockchain and the creation of the ICO platform, and the last of these four entities stated that it provides technology support and consulting.

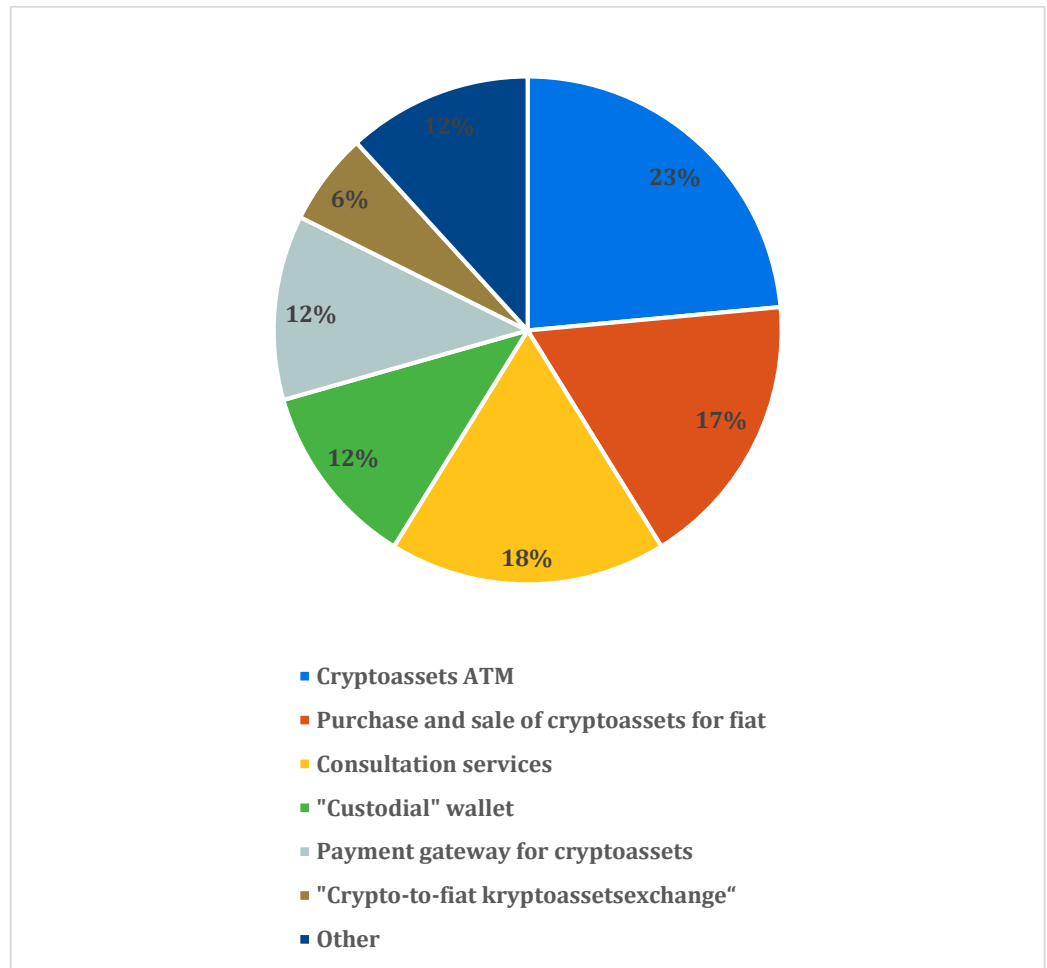


Graph 14 - The list of most frequently provided crypto assets services

QUESTION 26 and 27: What do you consider to be your main activity? What other service do you consider to be your main activity?

Number of answers to the question	17	Ratio of answers to the number of respondents 94%
Total number of respondents	18	

The answers to this question were as follows: 4 subjects mentioned the operation of crypto assets ATM, 3 respondents mentioned the purchase and sale of crypto assets for fiat currencies, 3 subjects primarily focused on consulting services, 2 respondents mentioned the operation of a wallet for crypto assets storage. Also, 2 companies are engaged in the operation of the payment gateway for crypto assets and 1 considers the operation of the crypto assets exchange as its main activity. As far as possible, one entity quoted engineering manufacturing in response, and another respondent quoted technological "DLT full-stack solutions" for both the private and public sectors.



Graph 15 - What do you consider to be your main activity?

QUESTION 28 and 29: What crypto assets-related services do you plan to provide in the future? What other services do you plan to provide in the future?

Number of answers to the question	16	Ratio of answers to the number of respondents 89%
Total number of respondents	18	

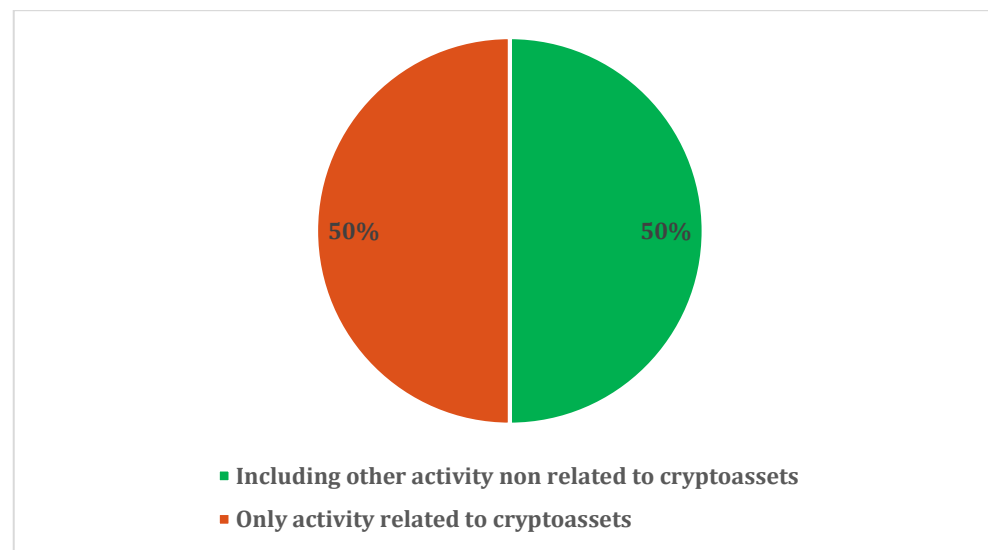
Regarding the activities they plan to pursue in the future, most respondents plan to continue their current activities and at the same time want to provide other services. 9 entities want to buy and sell crypto assets for fiat currencies in the future, 6 entities want to provide wallet services for crypto assets storage. The POS terminal for payments with crypto assets is planned to be provided by 4 entities. 4 respondents plan to operate a crypto assets exchange. 5 entities plan to operate crypto assets ATM. 5 entities plan to offer their own stablecoin. 5 entities would like to set up a payment gateway for crypto assets, 3 entities would like to provide loans in crypto assets and 9 entities would like to provide consulting services.

Other services that respondents in the Slovak Republic plan to offer include e.g. tokenization of art and other assets, or a crypto assets-payment card associated with its own IBAN.

QUESTION 30 and 31: Is your company focused only on providing crypto assets and crypto assets-related services, or do you perform other non-crypto assets activities? What non-crypto assets activities does your company perform?

Number of answers to the question	16	Ratio of answers to the number of respondents 89%
Total number of respondents	18	

8 entities indicated that they only carry out activities related to crypto assets activities, as well as 8 entities stated that they also provide other unrelated activities.



Graph 16 - Is your company focused only on providing crypto assets and crypto assets-related services, or do you also perform other non-crypto assets activities

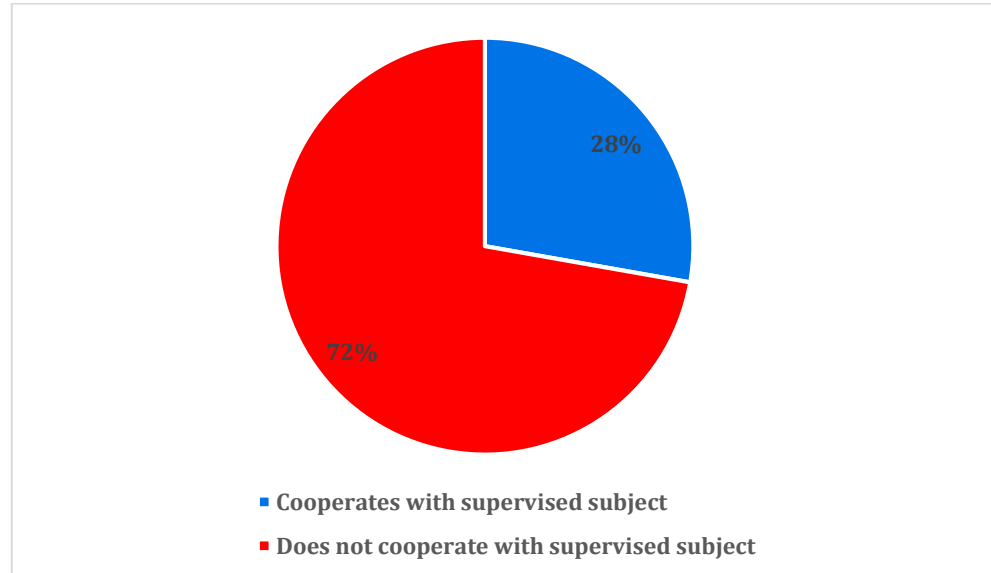
In addition to crypto assets services, respondents engage in a wide range of activities, such as retail, cultural and sporting events, payment systems, engineering, IT activities such as equipment management, software development and programming, operation of payment terminals and package machines. In addition, the entities deal with the mediation of administrative services, advertising, marketing, IT and graphic work, consulting, PC services, as well as the underlying technology of crypto assets blockchain/ DLT.

QUESTION 32, 33 and 34: Do you cooperate with any of the supervised entities in the provision of crypto assets or crypto assets-related services? Click on all supervised entities you work with. If you answered in the previous question that you are cooperating with another supervised entity, please indicate which other supervised entity it is.

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

Only 5 entities stated that they cooperate in the provision of crypto assets with the supervised entity. Those who answered in the affirmative way cooperate with the bank, the payment institution and the electronic money institution. Specifically, a Slovak

payment institution and a Czech credit union and a provider of small-scale payment services were mentioned.



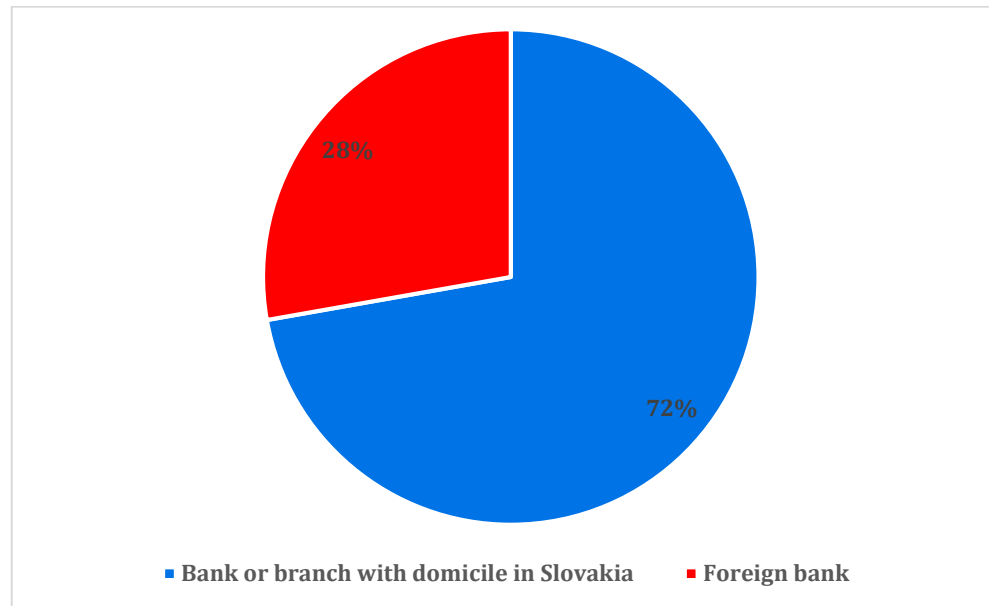
Graph 17 - Do you cooperate with any of the supervised entities in the provision of crypto assets or crypto assets-related services?

2.3 Bank account disposal

QUESTION 35, 36 and 37: Do you hold an account in bank or a branch of a foreign bank domiciled in the Slovak Republic? In which state is the bank where you hold a bank account based? In which other country's bank do you have an account?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

13 respondents have an account held at a bank or a branch of a foreign bank domiciled in the Slovak Republic. 5 respondents have an account with foreign banks. Banks with which these companies have open accounts are based in other Member States, such as Lithuania, Hungary, the Czech Republic, but also outside the EU.

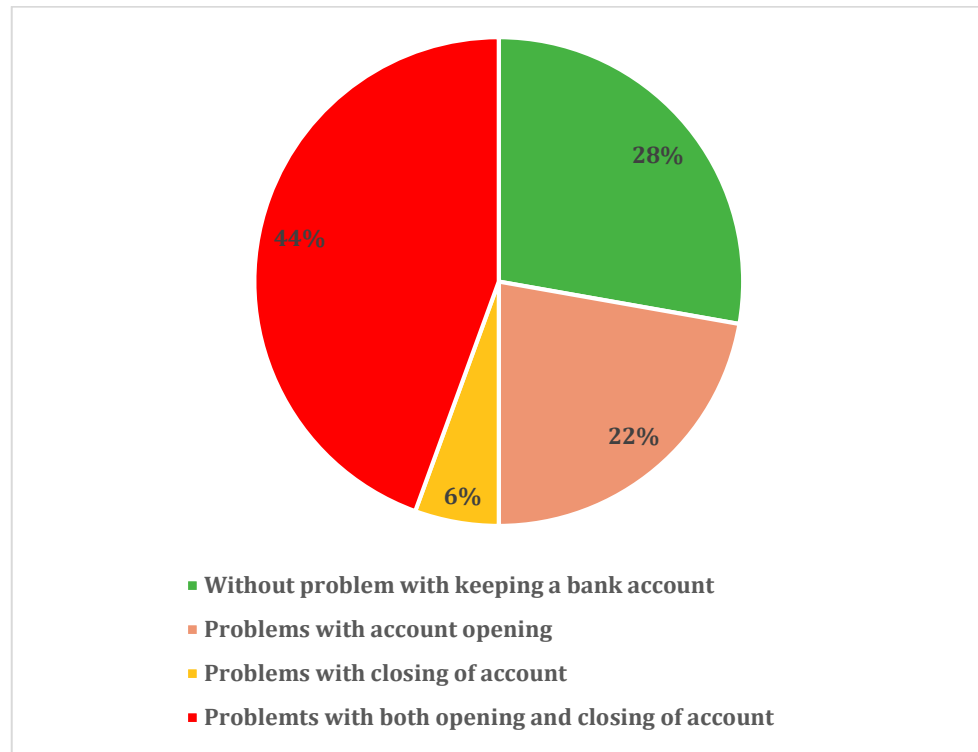


Graph 18 - Do you have an account at bank, or a branch of a foreign bank domiciled in the Slovak Republic?

QUESTION 38, 39: Did a bank or a branch of a foreign bank domiciled in the Slovak Republic refuse to open you an account, or did it close it for you? If a bank or a branch of a foreign bank domiciled in the Slovak Republic has not allowed you to open an account, or it closed it to you, how did it justify this decision to you?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

Out of 18 respondents, only 5 subjects did not have a problem with holding an account in banks, or branches of foreign banks domiciled in the Slovak Republic. The remaining 13 entities stated that they were having some problems. Some banks and branches of foreign banks based in the Slovak Republic refused to open an account for 4 entities. 1 bank and branches of foreign banks based in the Slovak Republic closed an account for 1 entity, but it had no experience in refusing to open an account. However, most respondents, up to 8, had a negative experience not only with refusing to open an account, but also with closing an existing account.



Graph 19 - Did a bank or a branch of a foreign bank domiciled in the Slovak Republic refuse to open an account, or did it close it for you?

Regarding the reason for the refusal to open a bank account, or closing a bank account, the entities identified as the most common response that the bank did not give them any reason for it (6). In addition, the banks stated that this was a bank business decision to which the bank was entitled under its internal regulations. Formally or less formally, the respondents received an explanation that the bank will not provide services to crypto assets companies, as this is an unregulated activity, or a business with risky assets.

QUESTION 40: If a bank or a branch of a foreign bank domiciled in the Slovak Republic did not allow you to open an account, or it closed it for you, was it possible to have this decision reviewed? How did you proceed? Describe your specific experience with banks or branches of foreign banks based in the Slovak Republic.

Number of answers to the question	12	Ratio of answers to the number of respondents 67%
Total number of respondents	18	

Respondents usually have a very negative experiences with banks and branches of foreign banks based in Slovakia. Most often they state that there is no possibility, such as to justify the decision to close or not to open an account from the bank side. Banks refuse to discuss this issue with crypto assets companies and refer to their internal regulations based on which they proceed. One crypto assets company wanted to discuss specific rules with the bank so that these rules would be sufficient for the bank, but the bank refused. Some respondents experienced a negative experience with closure, respectively by refusing to open an account in most Slovak banks. Therefore, several

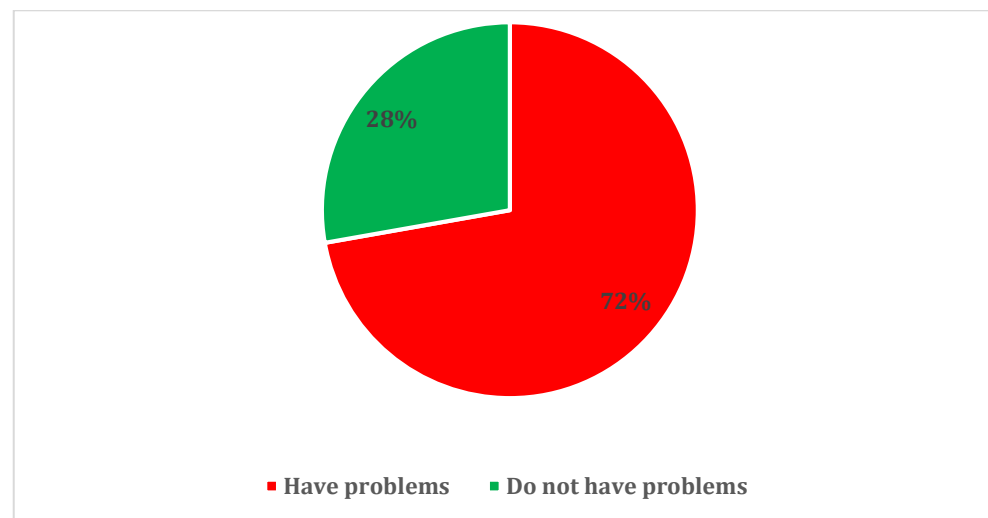
companies gave up and opened an account with a foreign bank. Others do not give up and try to defend themselves legally. One company also turned to the ombudsman because the information on closing the account was communicated to them only through internet banking, where the document could not be opened. Even those companies that have an account in a Slovak bank or in a branch of a foreign bank based in Slovakia prefer to contact other banks because they are afraid of closing the account. Other crypto assets companies have accounts at Slovak banks on notice period and are therefore looking for a suitable foreign bank.

2.4 Missing regulation

QUESTION 41: Did you feel any problems in your business, which were caused by the lack of regulation concerning crypto assets in the Slovak Republic?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

In most entities, the lack of regulation causes problems in business. Only 5 entities do not experience problems caused by insufficient regulation of crypto assets.



Graph 20 - Did you feel any problems in your business, which were caused by the lack of regulation of crypto assets in the Slovak Republic?

QUESTION 42: What specific problems has the lack of regulation in crypto assets in Slovakia caused to you?

Number of answers to the question	12	Ratio of answers to the number of respondents 67%
Total number of respondents	18	

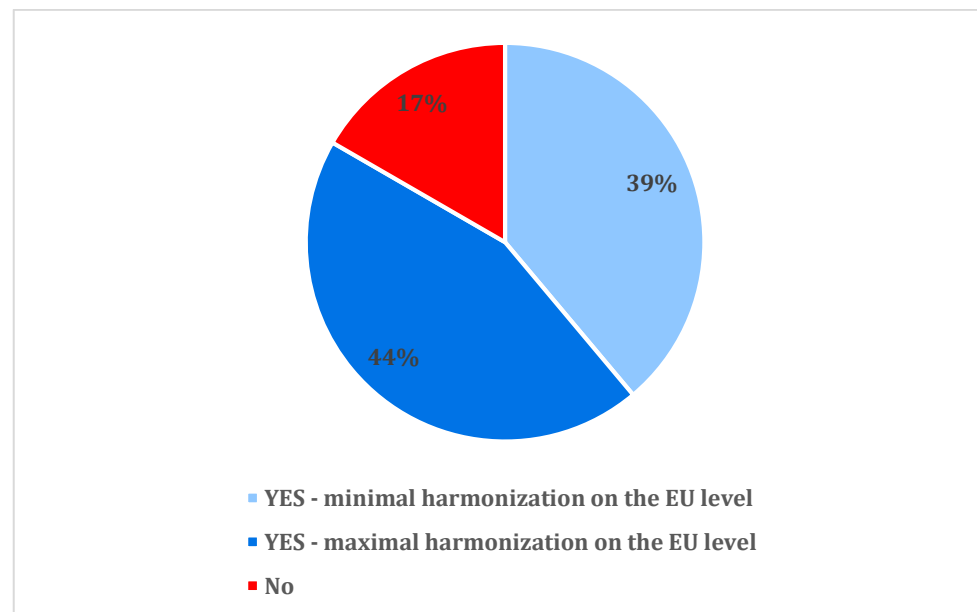
A significant proportion of respondents consider the bank account management problems described above to be the result of a lack of regulation. However, insufficient legislation also discourages investors, which, together with limited access to banking services, makes it significantly more difficult to finance such a business. According to some respondents, the lack of regulation is an ideal condition for growth of unfair

competition and fraud, which not only directly harms consumers, but also significantly harms the entire sector. Respondents also noticed that even in those areas where the regulation of crypto assets exists, it is very restrictive, and it harms Slovakia in terms of competitiveness. Specifically, this is primarily caused by the tax area, where, according to 1 respondent, we have the highest tax burden on trading in crypto assets within the EU.

QUESTION 43: Do you think that the area of crypto assets activities should be regulated in the Slovak Republic?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

Most respondents think that the area of crypto assets activities should be regulated in the Slovak Republic. Of these, 8 respondents support maximum harmonization at the EU level and 7 respondents are in favour of minimum harmonization. Only 3 subjects think that the area of crypto assets activities should not be regulated.



Graph 21 - Do you think that the area of crypto assets activities should be regulated in the Slovak Republic?

QUESTION 44: If you have an overview of the regulation of cryptotassets in other Member States, which Slovak or Member States regulation should the Slovak legislation be inspired by and why?

Number of answers to the question	13	Ratio of answers to the number of respondents 72%
Total number of respondents	18	

Respondents to this question gave examples from several countries. The most frequently mentioned countries were Lithuania, Liechtenstein, Estonia, Switzerland,

France, Portugal. In addition, respondents also mentioned Luxembourg, Gibraltar and Germany and the Czech Republic.

The entities justified their choice by stating that the states in question have clearly defined rules, so that banks do not have a problem keeping accounts of crypto assets companies. In addition, legislation in these countries is conducive to crypto assets business, which attracts global companies to these countries.

A positive example was France, where the respondent appreciated the voluntary nature of licensing, which primarily regulates the management of crypto assets for clients and does not link crypto regulation to banking regulation (as in Germany, for example). At the same time, according to the answer, this regulation provides full protection against arbitrary closing of accounts in commercial banks.

1 subject also quoted the Czech Republic as a positive example in relation to the activity of crypto assets ATM. In the Czech Republic, according to the respondent, the maximum limit for the purchase and sale of crypto assets for cash without proving personal data is suitably set at 1000 EUR or its equivalent in CZK.

2.5 Obstacles for the development of crypto assets business in Slovakia

QUESTION 45: What do you consider to be the biggest obstacles to the further development of your crypto assets business?

Number of answers to the question	15	Ratio of answers to the number of respondents 83%
Total number of respondents	18	

Respondents consider the lack of regulation, the impossibility of holding a bank account, the unconceptual taxation of transactions (crypto-to-crypto, crypto-to-goods) and the high tax burden as the biggest obstacles to the further development of business in the field of crypto assets. In addition, respondents mentioned the incompetence and lack of interest of the regulator, criminalization by the state authorities and public distrust.

QUESTION 46: What would facilitate operations in the Slovak Republic?

Number of answers to the question	15	Ratio of answers to the number of respondents 83%
Total number of respondents	18	

The answers were naturally very similar to the answers of the previous question. According to the respondents, clear regulation for the area of crypto assets, greater interest and dialogue from the part of the National Bank of Slovakia would contribute to facilitating the operation of crypto assets companies in the Slovak Republic. Another frequently mentioned answer was to facilitate the opening of an account in a bank, where, according to respondents, the NBS could either issue a certificate to crypto assets companies, which would increase their legitimacy in the eyes of commercial

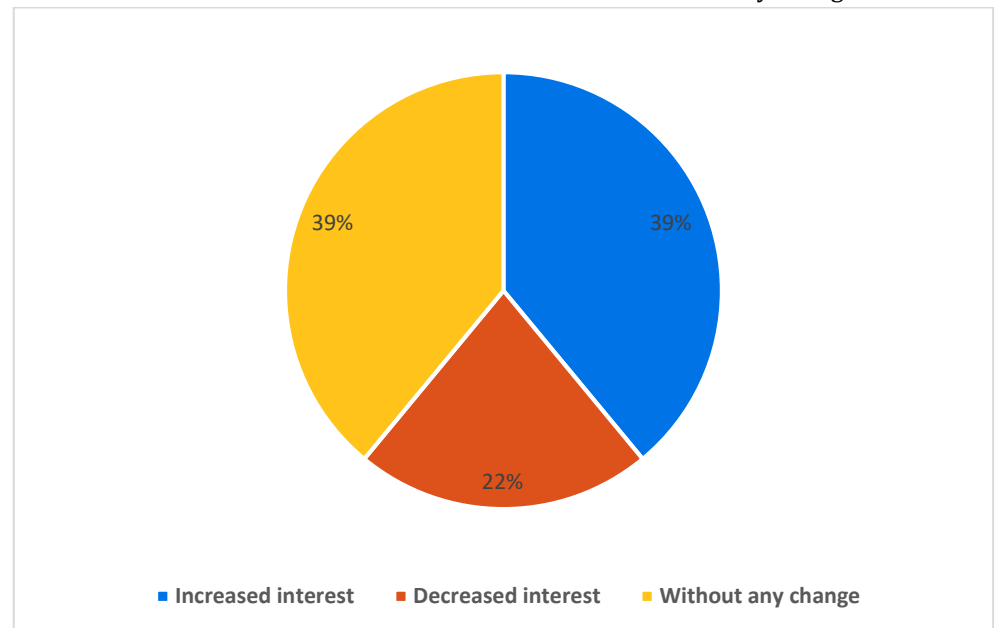
banks or to hold accounts directly at NBS with crypto assets companies. A very concrete solution was a proposal to reduce the tax burden on crypto assets. 1 entity stated that it would leave the market to regulate itself in this area. According to 1 respondent, greater flexibility and real interest of the financial sector would contribute to the development of activities related to crypto assets.

2.6 Current crisis and future development

QUESTION 47: How has the current COVID-19 crisis affected you?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

7 entities reported increased interest in their services during the COVID-19 pandemic, 4 entities saw a decline in interest and 7 entities did not notice any change.

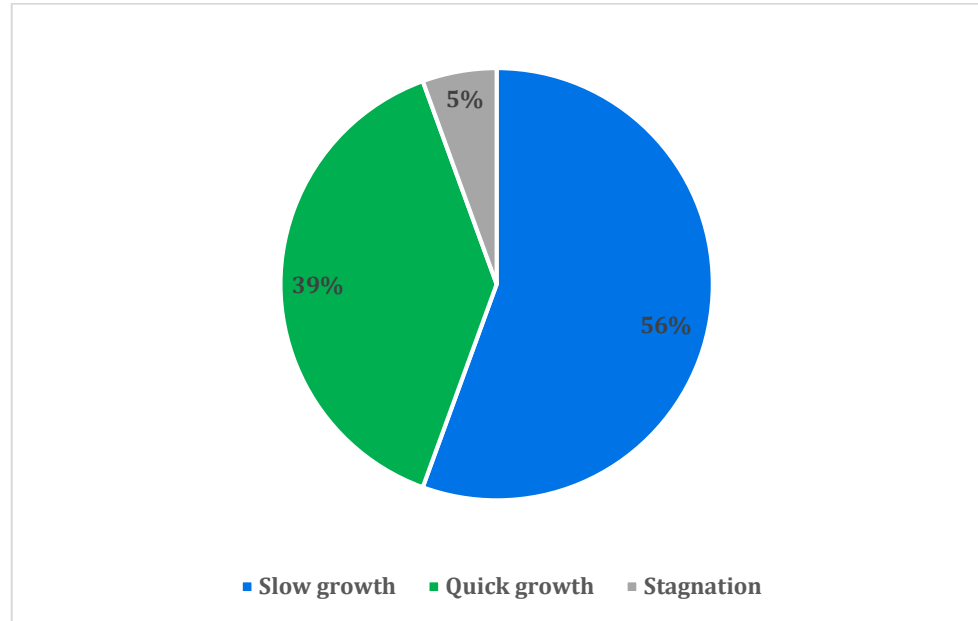


Graph 22 - How has the current COVID-19 crisis affected you?

QUESTION 48: What development do you foresee in your business during 2020?

Number of answers to the question	18	Ratio of the number of answers to the number of respondents 100%
Total number of respondents	18	

10 entities expect slow growth in 2020, 7 entities expect rapid growth and for only 1 entity should the 2020 be stagnant.



Graph 23 - What development do you foresee in your business during 2020?

QUESTION 49: Space for additional comments on any question in this questionnaire.

Number of answers to the question	11	Ratio of answers to the number of respondents 61%
Total number of respondents	18	

A total of 11 subjects used the space for additional comments. Several subjects reiterated their most important answers from the previous questions, such as to enable the purchase and sale of crypto assets for cash up to EUR 1000 without verifying the identity of the client, or dissatisfaction with the fact that Slovak crypto assets companies are forced to open accounts abroad, which according to the respondent is not only extremely expensive, but it can be qualified as a denial of constitutional law of freedom of enterprise.

2 respondents expressed a positive reaction in connection with the NBS's willingness to map the ecosystem of crypto assets companies in Slovakia. Other entities expressed concern about the impact and detailed analysis of crypto assets business in the sense that the questionnaire was not directed against their activities. 1 company would welcome the NBS's assistance in opening an account. Another respondent is interested in a consultation at the NBS Innovation Hub.

1 subject concluded that the area of crypto assets and blockchain has a vast potential and Slovakia is one of the world's leaders in this area. The problem is the lack of legislation in Slovakia as well as in the world. Whoever first understands the significance of these new technologies and grasps the issue correctly will become a world leader.

Conclusion

The National Bank of Slovakia would like to thank all the respondents who contributed by their answers to the crypto assets questionnaire. The results of the crypto assets questionnaire are a valuable source of information and will serve as one of the sources that the NBS will consider in further activities in this area. At the same time, we would like to assure all respondents that none of the answers they have sent will be used against them.

In 2021 NBS will repeat this exercise in order to be able to observe trend in this area of business activity in Slovakia.