

Who taxes a bank that trades in its own digital currenc...

Published: January 13, 2026, 3:47 pm

I [raised some concerns](#) about banks creating their own digital currencies backed by blockchain technology earlier today.

Let me raise another concern now. Who taxes these trades? Where? And in what currency?

You can be sure three things will be argued. The first is that the currencies are created and managed in tax havens so no tax is due on that process.

Second, it will be argued that if they are anywhere these trades are in tax havens, where file servers will, no doubt be located (although this gives rise to interesting questions because blockchain is energy hungry).

Third, it will be suggested that no tax is due as a result.

I almost suspect that the argument will be that these trades are so virtual that they are not anywhere.

In that case it's time for tax authorities to react, now.