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Hungary Imposes Prison Time for Unauthorised Crypto Trading

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Hungary has moved to crack down on the shadowy corners of the cryptocurrency market, introducing strict legal consequences for those using or operating unauthorised digital asset exchanges. As of July 1, individuals involved in such unlicensed activities now face up to three years behind bars, depending on the value of the trades.

The revised Criminal Code targets both users and providers of unauthorised crypto-asset exchange services. Citizens who conduct trades through platforms not approved by authorities could be sentenced to as much as two years in prison if the value falls between 5 million and 50 million Hungarian forints (approximately \$14,600 to \$145,950). Offences involving amounts between 50 million and 500 million forints (\$145,950 to \$1.46 million) may result in penalties of up to three years.

Operators of unauthorised crypto platforms face the same three-year maximum sentence, which increases with the size and scale of the illicit transactions. These changes signal Hungary's intent to assert tighter control over the burgeoning cryptocurrency sector, which many governments view as a potential avenue for money laundering and other financial crimes.

This legislation arrives amidst broader European concerns about unregulated digital finance. While other nations often tread carefully around such regulations, Hungary appears determined to lead with a law-and-order approach. However, the lack of immediate regulatory clarity has left crypto firms in limbo. Local outlet *Telex* reported that the Supervisory Authority for Regulatory Affairs (SZTFH) has been granted 60 days to establish compliance guidelines, yet no official direction has been released since the law's enactment.

The confusion among businesses suggests that implementation may be bumpy, especially with no formal licensing process yet detailed. Still, the government's message is unmistakable: operating outside the legal framework will carry real consequences.

Critics of the legislation argue it may stifle innovation, but proponents say it's a necessary move to protect citizens and financial stability. Hungary's firm stance draws a sharp line in a region where policy on cryptocurrency remains inconsistent and fragmented.

As other European countries consider similar steps, Hungary's bold legislative move may serve as a model or a warning for how to balance innovation with accountability in digital finance.