



Cryptoassets - information to help you understand your tax position

We're writing because we have information that suggests you've engaged in cryptoasset activities. We want to help you understand when you need to report cryptoasset transactions, and how to update your tax position.

When you sell, use, or receive cryptoassets

We usually treat cryptoassets in the same way as other assets.

You may need to pay Capital Gains Tax (CGT) if you:

- sell them for fiat currency, like pounds or dollars – gains from these transactions are taxable, even if you don't withdraw the money you make from the cryptoasset exchange
- exchange them for another cryptoasset, like exchanging bitcoin for Ether, or using bitcoin to buy a non-fungible token (NFT) - these are taxable transactions, even if you don't convert the gains back to fiat currency
- use them to buy goods or services
- give them away to someone who isn't your spouse or civil partner – you'll be treated as having received the pound sterling value of the cryptoasset, even if you don't actually receive anything.

You may need to pay Income Tax if:

- you received income from cryptoasset-related activities, like lending, staking and mining
- your cryptoasset activities constitute a trade, although only in exceptional circumstances would we accept this to be the case
- you received income in the form of cryptoassets.

You may also owe Income Tax and National Insurance contributions (NICs), if you were paid in cryptoassets for employment.

Reporting unpaid tax on cryptoassets

If you haven't declared all your income or capital gains, you need to do so.

You can amend your Self Assessment return if you're within the time limit for the relevant tax year. Go to GOV.UK and search 'Self Assessment corrections', then choose 'if you need to change your return'.

From tax year 2024 to 2025, Self Assessment returns have a dedicated cryptoasset section on form SA108 - boxes 13.1 to 13.8.

If it's too late to amend your return, you can use our disclosure service. Go to GOV.UK and search 'tell HMRC about unpaid tax on cryptoassets'.

If you're satisfied your tax affairs are correct you don't need to take any further action or contact us.

Extra support

If you have any health or personal circumstances that may make it difficult for you to deal with us, please tell us. We'll help you in whatever way we can.

For more information about this, go to GOV.UK and search 'get help from HMRC if you need extra support'.

If you owe more tax but don't take any action

If we later find you have tax to pay and you've chosen not to tell us, we may work out what we think you owe and send you a bill. We'll charge interest on any tax you pay late. For more information, go to GOV.UK and search 'pay Self Assessment tax bill'.

We may also charge a penalty which could be up to 100% of the additional tax you owe.

For more information about the penalties we may charge, and what you can do to reduce them, go to GOV.UK and search 'CC/FS7a' and 'CC/FS11'.

Contacting us

If you have questions about how to make an amendment or a disclosure, or you want to give us information about your cryptoasset transactions, you can:

- call us on 03000 552294 – our lines are open Monday to Friday, 9am to 4.30pm
- email us at wmbcupstreamresponseteam@hmrc.gov.uk – before you email, please go to GOV.UK, search 'corresponding with HMRC by email' and read the guidance with this name.

You can also write to us at the address at the top of this letter, but we can reply more quickly if you email.

We can't correct your tax return for you, help you work out your tax position or give you specific tax advice about your circumstances over the phone.

If you contact us, we can help you more quickly if you quote our reference number and give us a daytime phone number.

More information

Go to GOV.UK and search:

- 'tax and cryptoassets' – for more about how we tax cryptoassets
- 'Self Assessment tax returns' – for help on how to fill in your tax return correctly.

There's also a short YouTube video about tax on cryptoasset transactions for individuals. Search 'cryptoassets and paying tax' on the HMRCgovuk YouTube channel.

Cryptoassets can be a complex area of tax, and you may want to get professional advice. If you've told us you have a tax adviser, we'll send them a copy of this letter.

It's your responsibility to make sure your tax returns are completed correctly.

Yours sincerely

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To find out about the service and standard of behaviour you can expect from us, go to GOV.UK and search 'HMRC Charter'.