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Call for evidence outcome

Call for evidence: The taxation of decentralised finance involving the lending and staking of cryptoassets

From: **HM Revenue & Customs (/government/organisations/hm-revenue-customs)**

Published: 5 July 2022

Last updated: 27 April 2023 —

This call for evidence has closed

Detail of outcome

This call for evidence sought views and data regarding decentralised finance (DeFi) lending and staking. In particular, the government wanted to ascertain whether administrative burdens and costs could be reduced for taxpayers engaging in this activity, and whether the tax treatment could be better aligned with the underlying economics of the transactions involved.

The call for evidence ran from 5 July 2022 to 31 August 2022. We received 47 written responses. The government is grateful for this input.

The government has published a further consultation (https://www.gov.uk/government/consultations/the-taxation-of-decentralised-finance-involving-the-lending-and-staking-of-cryptoassets) on a potential new taxation framework for cryptoasset loans and 'staking' in the context of decentralised finance.

A summary of responses from this call for evidence is included as an annex to the consultation (https://www.gov.uk/government/consultations/the-taxation-of-decentralised-finance-involving-the-lending-and-staking-of-cryptoassets#Annex-A).

Original call for evidence

Summary

The government is seeking views on possible changes to the tax treatment of cryptoasset loans and 'staking' in the context of decentralised finance.

This call for evidence ran from
9:45am on 5 July 2022 to 11:45pm on 31 August 2022

Call for evidence description

In April 2022, the government announced a package of measures (https://www.gov.uk/government/news/government-sets-out-plan-to-make-uk-a-global-cryptoasset-technology-hub) designed to ensure the UK financial services sector remains at the cutting edge of technology, attracting investment and jobs and widening consumer choice. This included an intention to consider and, where appropriate, address concerns that have been raised by stakeholders about the tax treatment of decentralised finance (DeFi) loans and staking.

DeFi lending and staking encompasses a range of activities that reward users who deposit cryptoasset tokens into a pool or lend them to other individuals or platforms to earn passive income returns often described as interest.

The government will use the information received from this call for evidence to decide what changes, if any, are needed to reduce administrative burdens and costs for taxpayers engaged in this activity, and whether the tax treatment can be better aligned with the underlying economics of the transactions involved.

HMRC would like to hear from investors, professionals and firms engaged in DeFi activities including:

- technology and financial service firms
- trade associations and representative bodies
- academic institutions and think tanks
- legal, accountancy and tax advisory firms

Documents

[The taxation of Decentralised Finance involving the lending and staking of cryptoassets - call for evidence](/government/calls-for-evidence/call-for-evidence-the-taxation-of-decentralised-finance-involving-the-lending-and-staking-of-cryptoassets/the-taxation-of-decentralised-finance-involving-the-lending-and-staking-of-cryptoassets-call-for-evidence)

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