Consultation outcome

The taxation of decentralised finance involving the lending and staking of cryptoassets

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

Published: 27 April 2023

Last updated: 26 November 2025 —

This consultation has concluded

Read the full outcome

The taxation of decentralised finance (DeFi) involving the lending and staking of cryptoassets — Summary of responses (/government/consultations/the-taxation-of-decentralised-finance-involving-the-lending-and-staking-of-cryptoassets/outcome/the-taxation-of-decentralised-finance-defi-involving-the-lending-and-staking-of-cryptoassets-summary-of-responses)

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Detail of outcome

In 2023 HMRC ran a consultation seeking views on the taxation of decentralised finance involving the lending and staking of cryptoassets, now known as cryptoasset loans and liquidity pools.

Respondents expressed unanimous support for the consultation and its aims but raised concerns about specific elements.

This document summarises the responses received and outlines a potential approach the government is considering.

Original consultation

Summary

The government is seeking views on a potential new taxation framework for cryptoasset loans and 'staking' in the context of decentralised finance.

This consultation ran from
9:30am on 27 April 2023 to 11:45pm on 22 June 2023

Consultation description

The government is committed to retain the UK's global leadership position in fintech. Last April it announced its intention to explore and resolve specific issues regarding the taxation of the decentralised finance (DeFi) activities of lending and staking. Some stakeholders have highlighted circumstances where the current rules for Capital

Gains Tax (CGT), when applied to DeFi, are inconsistent with the substance of the activity.

As part of the review into the application of tax rules to DeFi transactions, the government ran a Call for Evidence (https://www.gov.uk/government/consultations/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) from 5 July to 31 August 2022. Most respondents agreed that a change in the tax rules would be beneficial for the industry and users.

This consultation represents the next stage of the policy making process. The government is inviting comments on a potential legislative solution which aims at better aligning the taxation of cryptoassets used in certain DeFi transactions with the underlying economic substance.

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 (DeFi) involving the lending and staking of cryptoassets (/government/consultations/the-taxation-of-decentralised-finance-involving-the-lending-and-staking-of-cryptoassets/the-taxation-of-decentralised-finance-defi-involving-the-lending-and-staking-of-cryptoassets--2)

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