HMRC internal manual

Cryptoassets Manual

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

Published: 30 March 2021

Updated: 28 November 2025 - **See all updates (/hmrc-internal-manuals/cryptoassets-manual/updates)**

CRYPTO42300 - Cryptoassets for businesses: Income Tax: employment income provided through third parties

Under Part 7A of the Income Tax (Earnings and Pensions) Act 2003, if exchange tokens are provided to an employee by a third party, an Income Tax charge may arise.

The employer is required to account to HMRC for the Income Tax due through the operation of PAYE when exchange tokens are provided as employment income. The amount of PAYE income on which the employer must account for Income Tax is based on the best estimate that can reasonably be made. More information is in EIM45000 (https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim45000).

For National Insurance contributions purposes, if exchange tokens are provided by a third party, the National Insurance contribution liability will continue to arise, however in certain circumstances the third party, rather than the employer, can be liable to pay Class 1A National Insurance contributions.

More information is in NIM16350 (https://www.gov.uk/hmrc-internal-manuals/national-insurance-manual/nim16350).

← **Previous page (/hmrc-internal-manuals/cryptoassets-manual/crypto42250)**