Guidance

Check if you need to report cryptoasset data to HMRC

Find out whether you need to report to HMRC under the Cryptoasset Reporting Framework (CARF).

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

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If you provide cryptoasset services in the UK, you must collect data and report it to HMRC.

This is because of rules called the Cryptoasset Reporting Framework (CARF).

You can subscribe to get email updates (https://www.gov.uk/email/subscriptions/new?topic_id=reporting-to-hmrc-if-you-provide-cryptoasset-services-in-the-uk) about Cryptoasset Reporting Framework guidance.

Who needs to report

All UK-based ‘reporting cryptoasset service providers’ (RCASPs) need to report to HMRC.

Your business is considered an RCASP if it either:

- transacts cryptoassets on behalf of users
- provides a means for users to transact cryptoassets

Some examples of an RCASP include cryptoasset:

- exchanges
- brokers
- dealers

Find out about what counts as an RCASP (International Exchange of Information Manual: IEIM8000100) (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim8000100).

What counts as a cryptoasset

A cryptoasset is a digital representation of value that uses a cryptographically secured distributed ledger (or similar technology) to validate and secure transactions.

To count as a cryptoasset under CARF, they must also:

- be used for payment or investment purposes
- not be reportable under the Common Reporting Standard (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim402005) as either a Central Bank Digital Currency (CBDC) or a Specified Electronic Money Product (SEMP)

Find out about what counts as a cryptoasset (International Exchange of Information Manual: IEIM8000200) (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim8000200).

What counts as UK-based

Your organisation is considered UK-based if any of these criteria apply:

1. You're a tax resident in the UK.
2. Your business is incorporated in the UK.
3. Your business is managed in the UK.
4. You have a regular place of business or branch in the UK.

If you're based in the UK and elsewhere

You may only need to report in one country.

To work out which country to report in, use the criteria as a hierarchy with tax residence at the top. You should report in the CARF country that is highest on the hierarchy.

> For example, if you're a tax resident in France and your business is incorporated in the UK — you only have to report in France. This is because tax residence is first on the hierarchy.

If two countries are at the same level on the hierarchy, you can choose which country you report in. For example, if you're a tax resident in both the UK and Germany, you can choose to report in either the UK or Germany.

You can check if the other country or countries are signed up to follow CARF rules using the 'List of Signatories to the CARF MCAA' on the Organisation for Economic Development website (https://www.oecd.org/en/topics/international-standards-on-tax-transparency.html) — it's in the section 'The Crypto-Asset Reporting Framework (CARF)'.

These are called the nexus rules (International Exchange of Information Manual: IEIM8000300) (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim8000300).

What you need to do

You need to collect information about your users and their transactions (https://www.gov.uk/guidance/collecting-cryptoasset-user-and-transaction-data).

Depending on the information you collect, you may need to submit a report to HMRC. If required, you'll need to submit your first report between 1 January and 31 May 2027. Find out about reporting cryptoasset data to HMRC (https://www.gov.uk/guidance/reporting-cryptoasset-user-and-transaction-data).

By 31 January 2027, you'll also need to:

- register with the online service — it's not live yet, we'll update the guidance once it is
- tell your users that you'll be reporting their details

If you do not follow the rules, you may get a penalty (International Exchange of Information Manual: IEIM8000600) (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim8000600).

More information

You can find detailed information about the Cryptoasset Reporting Framework:

- in the International Exchange of Information technical manual (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim800001)
- in the rules and commentary on the Organisation for Economic Development (OECD) website (https://www.oecd.org/en/publications/international-standards-for-automatic-exchange-of-information-in-tax-matters_896d79d1-en/full-report.html)

You can also find out about international tax transparency standards on the OECD's website (https://www.oecd.org/en/topics/international-standards-on-tax-transparency.html).

If you have questions about the Cryptoasset Reporting Framework, you can email eoi.policy@hmrc.gov.uk.

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