

HMRC internal manual

International Exchange of Information Manual

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

Published: 25 April 2016

Updated: 31 July 2026 - [See all updates \(/hmrc-internal-manuals/international-exchange-of-information/updates\)](/hmrc-internal-manuals/international-exchange-of-information/updates)

IEIM8000280 - Non-Fungible Tokens (NFTs)

Under CARF, NFTs are considered relevant cryptoassets if they are traded on marketplaces, as this indicates they can be used for payment or investment purposes.

Solely in the context of ascertaining if an NFT can be used for payment or investment purposes, an RCASP can treat an NFT as not being usable for payment or investment purposes if it can adequately determine that all of the following conditions are met:

- The NFT does not represent financial assets or fungible cryptoassets,
- It is not marketed as an investment product and is not subject to financial regulation,
- It is not a virtual asset under Financial Action Task Force (FATF) anti-money laundering (AML) or know your customer (KYC) rules, and

- It has low value (e.g. not traded above USD 200) and no meaningful trading volume (e.g. not traded more than 10 times since creation).

It is recommended that the RCASP keeps a record of the analysis undertaken to make such a determination.

Example

Fred the Cat #50 is an NFT artwork. It does not represent a financial asset or fungible cryptoasset, it is not marketed as an investment product or subject to financial regulation. It is not considered a virtual asset under FATF AML/KYC rules. Its value has never risen above USD 200 and it has only been traded 10 times since its creation in 2020. As all of the criteria are met, the RCASP may treat the NFT as not usable for payment or investment purposes, and therefore not a relevant cryptoasset. Where any of the criteria are no longer met the NFT will be considered usable for payment or investment purposes and be treated as a relevant cryptoasset.

← **Previous page**

(/hmrc-internal-manuals/international-exchange-of-information/ieim8000270)

→ **Next page**

(/hmrc-internal-manuals/international-exchange-of-information/ieim8000290)





All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



© Crown copyright