HMRC internal manual

International Exchange of Information Manual

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IEIM8000350 - Dual nexus and UK reporting

A Section I(H) election does not impact reporting of UK tax resident cryptoasset users by UK RACSPs. Where a dual nexus of equal standing exists involves a UK RCASP, the UK RCASP would be required to report information to HMRC in relation to UK cryptoasset users.

Example

Goldfinch Crypto is tax resident in both the UK and France for the year ending 2026. Both jurisdictions have implemented the CARF, France is on the UK's list of partner jurisdictions and there is an equal nexus in the UK and France. Goldfinch Crypto makes a Section I(H) election and chooses to complete reporting due diligence in France.

The UK rules on domestic CARF reporting still require Goldfinch Crypto to undertake reporting and due diligence on UK resident cryptoasset users to

HMRC. Reporting and due diligence for cryptoasset users resident in other CARF implementing jurisdictions may be reported in France given a section I(H) election has been made.

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