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INTERNATIONAL COMPARISON

March 2022

What´s in this issue:

"Tax treatment of cryptocurrencies"

Auren International Comparison is a quarterly publication that provides you an overview of trends and international tax developments by comparing tax issues in different legislations around the world, that may affect those doing business in multiple locations.

Constant legislative, regulatory, and judicial changes, along with globalization, economic shifts, and operational adjustments, are challenging issues. Now more than ever, in an increasingly globalized world, companies must have a total perspective and awareness of tax issues, and this publication aims to cover key tax topics which should be of interest to businesses operating internationally.

This edition includes numerous country focus pieces, in which it is analyzed the information related to tax treatment in Cryptocurrencies and its particularly specifications applied in each country.

We hope that you find this publication helpful.

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Index

CHILE

Definition	Cryptocurrencies, in very general terms, are digital or virtual assets, supported by a single digital record called blockchain, unregulated, disintermediated and not controlled by a central issuer, whose price is determined by supply and demand. They are not considered in Chile as legal tender coins or as foreign coins or currencies. A Cryptocurrency in Chile is an intangible and digital asset.

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)

Wealth tax

Taxable event	Non-applicable
Classification	Non-applicable
Value	Non-applicable

Personal Income Tax

Taxable event	The taxable event is the sale of cryptocurrencies as long as there is a greater value on the sale.	In Chile there is no organic regulation for cryptocurrencies, so there are no related economic activities yet.
Classification	Cryptocurrency trading transactions may result in a capital gain or loss, insofar as they generate a change in the composition of the taxpayer's assets.	Non-applicable
Value	To determine the highest value resulting from the sale, the tax cost of the respective cryptocurrency will be deducted from the sale price or value.	Non-applicable

Corporate Income Tax

Taxable event	The taxable event is the sale of cryptocurrencies as long as there is a greater value on the sale.	Non-applicable
Classification	Cryptocurrency trading transactions may result in a gain or loss, insofar as they generate a change in the composition of the taxpayer's assets. This gain or loss shall be taxed under the rules of the first category tax.	Non-applicable

Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	Non-applicable

Value Added Tax

Taxable event	Since cryptocurrencies are immaterial (incorporeal) assets, the application of VAT is ruled out.	Non-applicable
Classification	Non-applicable	Non-applicable
Value	Non-applicable	Non-applicable

Tax on Economic Activities

Taxable event	Non-applicable	Non-applicable
Classification	Non-applicable	Non-applicable
Value	Non-applicable	Non-applicable

Non-Residents Income Tax

Taxable event	The taxable event is the sale of cryptocurrencies as long as there is a greater value in the sale. If the payment originates from Chile, then the non-resident must pay WHT.	Non-applicable

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COLOMBIA

Definition	Under the interpretation of the General Director of Taxation "DIAN", cryptocurrencies constitute " intangible assets", which must be "declared together with other assets in the same way as foreign currency capital"

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)

Wealth tax

Taxable event	As an investment, ownership of virtual currencies by individuals isn´t currently taxed in Colombia, because at present, there isn´t the wealth tax or presumptive income tax. The taxable event is the transmission (sale or donation) of cryptocurrencies . As a Professional or economic activity (mining) the income is taxed.
Classification	They shall be classified as assimilable intangible assets
Value	Market value of the assets on 31st December. In case of cryptocurrencies, whose market is extremely volatile, the value to be taken is the average of the last day of the year or the first value of that day.

Personal Income Tax

Taxable event	The taxable event is the transmission (sale or donation) of cryptocurrencies .	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of cryptocurrencies' and staking, for instance).
Classification	Cryptocurrency trading transactions may result in a capital gain or loss, insofar as they generate a change in the composition of the taxpayer's assets.	Cryptocurrency mining is an economic activity and as such is subject to taxation under Personal Income Tax if the miner is a natural person.
Value	The capital gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, if they meet the requirements established by the law.

Corporate Income Tax

Taxable event	The taxable event is the transmission of cryptocurrencies .	The taxable event is the activity of mining of cryptocurrencies
Classification	Cryptocurrency trading transactions may result in a gain or loss, insofar as they generate a change in the composition of the taxpayer's assets. This gain or loss shall be taxed under CIT rules.	Cryptocurrency mining is an economic activity and as such is subject to taxation under CIT, if the miner is a legal entity.

Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, if they meet the requirements established by the law.

Value Added Tax

Taxable event	The transmission of cryptocurrencies (Intangible assets) isn´t a taxable event	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of critpocurrencies and staking, for instance).
Classification	intangible assets	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of cryptocurrencies' and staking, for instance)
Value	Non-applicable	The tax base of the not exempt operations shall be the price of the service.

Tax on Economic Activities

Taxable event	Non-applicable	As mining of cryptocurrencies is considered to be an economic activity, it is indeed a taxable event of this tax.
Classification	Non-applicable	The General Directorate of Taxation has concluded that mining of cryptocurrencies is a financial service (under section 831.9).
Value	Non-applicable	The reference amount that shall determine the applicability of this tax is the annual income obtained by the taxpayer due to mining of cryptocurrencies .

Non-Residents Income Tax

Taxable event	The taxable event is the transmission of cryptocurrencies. The connection point of the operation shall be analyzed, which will be set depending on the location of the company that offers the stocking service. Also, the corresponding DTA shall be analyzed.	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of cryptocurrencies' and staking, for instance), through a permanent establishment or Corporation located in Colombia.
Classification	They shall be classified as assimilable intangible assets	Cryptocurrency mining is an economic activity and as such is subject to taxation under the Non-Resident Income Tax.
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, if they meet the requirements established by the law.

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CROATIA

Definition	Under the interpretation of the Tax regulations, cryptocurrencies are financial assets, which must be "declared together with other assets in the same way as foreign currency capital"

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)

Wealth tax

Taxable event	N/a
Classification	N/a
Value	N/a

Personal Income Tax

Taxable event	The taxable event is the transmission (sale or donation) of cryptocurrencies .	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of critpocurrencies and staking, for instance).
Classification	Cryptocurrency trading transactions may result in a capital gain or loss, insofar as they generate a change in the composition of the taxpayer's assets.	Cryptocurrency mining is considered to be an economic activity and as such is subject to taxation under Personal Income Tax if the miner is a natural person.
Value	The capital gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that the miner is a freelancer and mining is his permenent activity.

Corporate Income Tax

Taxable event	The taxable event is the transmission of cryptocurrencies .	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of critpocurrencies and staking, for instance).
Classification	Cryptocurrency trading transactions may result in a gain or loss, insofar as they generate a change in the composition of the taxpayer's assets. This gain or loss shall be taxed under CIT rules.	Cryptocurrency mining is considered to be an economic activity and as such is subject to taxation under CIT, if the miner is a legal entity.

Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.

Value Added Tax

Taxable event	The taxable event is the transmission of cryptocurrencies .	The taxable event is the activity of mining of cryptocurrencies.
Classification	Bitcoins, cryptocurrencies and other digital currencies and the financial services linked to them are exempt from VAT. Consequently, the transfer of cryptocurrencies is subject to and exempt from VAT (art. 40 paragraph 1 of VAT Law).	Bitcoins, cryptocurrencies and other digital currencies and the financial services linked to them are exempt from VAT. Consequently, the transfer of cryptocurrencies is subject to and exempt from VAT (art. 40 paragraph 1 of VAT Law).
Value	Non-applicable	The tax base of the not exempt operations shall be the price of the service.

Tax on Economic Activities

Taxable event	Non-applicable	Non-applicable
Classification	Non-applicable	Non-applicable
Value	Non-applicable	Non-applicable

Non-Residents Income Tax

Taxable event	The taxable event is the transmission of cryptocurrencies . The corresponding DTA shall be analysed to detarmin the taxation	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies through a permanent establishment located in Croatia
Classification	Capital gains obtained in Croatia are considered to be those that derive from other movable assets, other than securities, located in Croatian territory.	Cryptocurrency mining is considered to be an economic activity and as such is subject to taxation under Personal Income Tax if the miner is a natural person.
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.

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EGYPT

Definition	There is no current Tax guidelines on Cryptocurrencies taxation. However the Egyptian Government approved the virtual currencies market as legitimate market. Accordingly the Taxation will depend on the accounting treatment for the Cryptocurrencies till solid guidlines come up from the Tax Authority. There are two types of the Taxpayers: 1- Mining of cryptocurrencies 2- Trading on cryptocurrencies (custody of critpocurrencies). Currently there are no mining companies located in Egypt, so this type is execluded from the treatments below.

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)

Wealth tax

Taxable event	Ownership of virtual currencies is not taxed
Classification	Investor shall account for the virtual either as Intangible asset or Cash dominated in foreign currencies.
Value	Initial recognition: The Market value at date of purchase. Subsequent recognition: The Market value of the assets on closing period.

Personal Income Tax

Taxable event	The taxable event is the transmission (sale or donation) of cryptocurrencies .	Type 2 mining of cryptocurrencies (no current taxpayers in Egypt)
Classification	Cryptocurrency trading transactions may result in a capital gain or loss, insofar as they generate a change in the composition of the taxpayer's assets.	Non-applicable
Value	The capital gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price. (Effective tax rate is 22.5%).	Non-applicable

Corporate Income Tax

Taxable event	Type 1: The taxable event is the transmission of cryptocurrencies .	Type 2 mining of cryptocurrencies (no current taxpayers in Egypt)
Classification	Cryptocurrency trading transactions may result in a gain or loss, in-sofar as they generate a change in the composition of the taxpayer's assets. This gain or loss shall be taxed under corporate tax law .	Non-applicable
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price (Effective tax rate is 22.5%).	Non-applicable

Value Added Tax

Taxable event	Type 1: The taxable event is the transmission of cryptocurrencies .	Type 2 mining of cryptocurrencies (no current taxpayers in Egypt)
Classification	As long the asset is not from the exempted taxes or reduced rates schedules. The trading on currency will be subject to the General rate of 14%	Non-applicable
Value	The tax base of the not exempt operations shall be the price of the service.	Non-applicable

Tax on Economic Activities

Taxable event	Type 1: The taxable event is the transmission of cryptocurrencies .	Type 2 mining of cryptocurrencies (no current taxpayers in Egypt)
Classification	Non-applicable	Non-applicable
Value	Non-applicable	Non-applicable

Non-Residents Income Tax

Taxable event	The taxable event is the transmission of cryptocurrenciesi. The connection point of the operation shall be analysed, which will be set depending on the location of the company that offers the stocking service.	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of critpocurrencies and staking, for instance), through a permanent establishment located in Egypt.
Classification	Capital gains obtained in Egypt are considered to be located in Egypt.	Cryptocurrency mining is considered to be an economic activity and as such is subject to taxation under the Non-Resident Income Tax.
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the Egyptian law.

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GERMANY

Definition	There is no legal definition of cryptocurrencies for German tax purposes. Nevertheless, according to a recent court decision (FG Baden Württemberg dated 11th June 2021), they are considered intangible assets. The sale of cryptocurrencies by a private individual is hence subject to tax under specific circumstances. The sale of cryptocurrencies by a business / a legal entity are always subject to tax.

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)

Wealth tax

Taxable event	There is currently no wealth tax levied on cryptocurrencies in Germany.
Classification	
Value	

Personal Income Tax

Taxable event	For a private individual, the profit generated by the sale of cryptocurrency is subject to tax if the asset is sold within one year of purchase. If the cryptocurrency is used to generate income (e.g. staking), the sale of cryptocurrencies is subject to tax if it takes place within 10 years of its purchase.	In most cases, the remuneration of mining activities will be subject to Personal Income Tax only. In these cases, losses generated by mining activities can typically only be offset by profits genereated by mining activities.
Classification	Cryptocurrency is considered as "other asset" for Personal Income Tax purposes.	Typically mining is not considered a business activity if performed by a private invidiual (however, if the extent of the activities is deemed sufficiently large scale, a business activity may be assumed by tax authorities. The decision if a business has to be assumed depends on).
Value	The taxable base is determined by deduction of the purchase price and costs linked to the sale from the sales price.	Income generated by mining activities has to be reported to tax authorities. In most cases, it is not necessary to register the mining activities as a business. The taxable base is determined as income reduced by costs linked to the mining activity.

Corporate Income Tax

Taxable event	All sale of cryptocurrency is subject to Corporate Income Tax irrespective of the time passed between purchase and sale of the currencies.	Mining activities performed by a corporation subject to Corporate Income Tax are always subject to tax irrespective of the extent of the activities.
Classification	Cryptocurrency is considered an intangible asset for tax purposes. Depending on the intention regarding the cryptocurrency, this asset my be classified as either fixed or current asset.	
Value	The profit / loss is defined as the sales priced reduced by the purchase price and costs linked to the asset.	Expenses linked to the mining activity may be deducted and reduce the taxable base.

Value Added Tax

Taxable event	In case cryptocurrency is used as means of payment, the transfer is not subject to VAT. Additionaly, exchanging cryptocurrency for "tradition" currency is considered subject to VAT, however it is exempt. The exemption precludes the deduction of input VAT.	According to guidance issued by the Federal Ministry of Finance, remuneration earned for mining activities are not subject to VAT.
Classification		
Value	Non-applicable	

Trade Tax

Taxable event	A private individual is not subject to Trade Tax.	In order for mining activities to be subject to trade tax, the activities need to be sufficiently large scale. That is very rarely the case, most mining activities performed by a private individual will hence not be subject to trade tax. If mining activities are performed by a business or a corporation, they will generally also be subject to trade tax.
Classification		
Value		

Non-Residents Income Tax

Taxable event	The sale of cryptocurrency by non-resident private individuals is generally not subject to personal income tax in Germany. The sale of cryptcurrency by business and corporations can be subject to tax in Germany, in case the sale hast to be attributed to a German Permanent Establishment. In such cases, the underlying Double Taxation Treaty has to be analyzed.	In case a private individual, who is not subject to unlimited tax liability in Germany, undertakes mining activies, there is in general no taxation of income generated by the mining activities in Germany. For foreign businesses and corporations, mining activities may be subject to tax in case they are attributed to a German Permanent Establishment. In such cases, the underlying Double Taxation Treaty has to be analyzed.
Classification		
Value		

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INDIA

Definition	"Virtual digital asset" means - (a) any information or code or number or token (not being Indian currency or foreign currency), generated through cryptographic means or otherwise, by whatever name called, providing a digital representation of value exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account including its use in any financial transaction or investment, but not limited to investment scheme; and can be transferred, stored or traded electronically; (b) a non-fungible token or any other token of similar nature, by whatever name called; (c) any other digital asset, as the Central Government may, by notification in the Official Gazette specify

Tax treatment

Cryptocurrency as an investment

Personal Income Tax

Taxable event	The taxable event is the transfer (sale or gift) of virtual digital asset
Classification	Virtual Digital Asset trading transactions may result in a gain or loss, insofar as they generate a change in the composition of the taxpayer's assets.
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.
Tax Liability	• Tax on gain from transfer of Virtual Digital Asset is levied at the rate of 30%. • No deduction in respect of any expenditure (other than cost of acquisition) or allowance or set-off of any lossess is allwowed from the gain. • Any person responsible for paying to a resident by way of consideration for transfer of a virtual digital asset, shall deduct TDS @ 1% at the time of credit / payment (subject to certain conditions under Income Tax Act, 1961)

Corporate Income Tax

Taxable event	The taxable event is the transfer (sale or gift) of virtual digital asset
Classification	Virtual Digital Asset trading transactions may result in a gain or loss, insofar as they generate a change in the composition of the taxpayer's assets.
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.
Tax Liability	• Tax on gain from transfer of Virtual Digital Asset is levied at the rate of 30%. • No deduction in respect of any expenditure (other than cost of acquisition) or allowance or set-off of any lossess is allwowed from the gain. • Any person responsible for paying to a resident by way of consideration for transfer of a virtual digital asset, shall deduct TDS @ 1% at the time of credit / payment (subject to certain conditions under Income Tax Act, 1961)"

Non-Residents Income Tax

Taxable event	The taxable event is the transfer (sale or gift) of virtual digital asset. The corresponding DTAA shall be analysed.
Classification	Virtual Digital Asset trading transactions may result in a gain or loss, insofar as they generate a change in the composition of the taxpayer's assets.
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.
Tax Liability	• Tax on gain from transfer of Virtual Digital Asset is levied at the rate of 30%. • No deduction in respect of any expenditure (other than cost of acquisition) or allowance or set-off of any lossess is allwowed from the gain. • Any person responsible for paying to a resident by way of consideration for transfer of a virtual digital asset, shall deduct TDS @ 1% at the time of credit / payment (subject to certain conditions under Income Tax Act, 1961)"

Tax on Economic Activities

Taxable event	Non-applicable
Classification	
Value	
Tax Liability	

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ISRAEL

Definition	It is a payment method, but not defined as a local currency or foreign currency in accordance with the Bank of Israel Law and the Israeli income tax.

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)
	Personal Income Tax	
Taxable event	Taxable upon selling event of cryptocurrencies.	Taxable upon selling event of cryptocurrencies.
Classification	will be considered as an assets therefore will be tax as capital gain, currently 25%.	will be considered as an economic activity therefore will be tax upon personal tax rate.
Value	The capital gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	In accordance with the business activity profit and loss of the person.
	Corporate Income Tax	
Taxable event	Taxable upon selling event of cryptocurrencies.	Taxable upon selling event of cryptocurrencies.
Classification	will be considered as an assets of the company, will be taxed according to corporate tax, currently 23%.	will be considered as an assets of the company, will be taxed according to corporate tax, currently 23%.
Value	The capital gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	The capital gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.
	Value Added Tax	
Taxable event	Taxable upon selling event of cryptocurrencies.	Taxable upon selling event of cryptocurrencies.
Classification	Input VAT sholud be paid.	Input VAT sholud be paid.

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ITALY

Definition	Cryptocurrencies are virtual currencies composed of strings of digital codes generated by mathematical algorithms. For the Italian tax Administration they can be equated to traditional foreign currencies.

Tax treatment

	Cryptocurrency as an investment	Cryptocurrency as an investment for companies	Professional or economic activity (i.e. mining)
	Wealth tax		
Taxable event	Ownership of virtual currencies is not taxed. It is mandatory for individual to indicate in the annual tax return the value of the virtual currency held as of December 31 (Section RW)	Ownership of virtual currencies is not taxed. It shall be determined and booked the value in the balance sheet.	Ownership of virtual currencies is not taxed. It shall be determined and booked the value in the balance sheet.
Classification	Assimilated to foreign currencies	Actually the Italian balance sheet format does not provide a specific item for cryptocurrencies. Cryptocurrencies could be booked in the cathegory of "current assets" (financial assets that do not constitute fixed assets)	Actually the Italian balance sheet format does not provide a specific item for cryptocurrencies. Cryptocurrencies could be booked in the cathegory of "inventories"
Value	The value of the virtual currency is determined taking into account the exchange rate as at December 31, available on the website where the taxpayer purchased the cryptocurrency	The book value of the cryptocurrencies in the financial statements shall be updated at the end of each year applying the fair value method based on the average official quotation reported in the exchange online platforms	The cryptocurrencies used for economic activity are not subject to Wealth Tax
	Personal Income Tax		
Taxable event	The taxable event occurs when the taxpayer: • sale the cryptocurrencies generating a capital gain or • withdraw the cryptocurrencies only if the operations above derive from an electronic wallet with an average balance over 51.645,69 euros for at least 7 continuous working days	Non-applicable	The taxable event is the activity of mining of cryptocurrencies or other economic activities linked to cryptocurrencies (for instance custody of critpocurrencies). It should be noted that the mining activity is mainly performed by structured companies due to the amounts of resources and tools required. The mining activity in certain rare cases could be performed also by non professional indivduals.

Classification	Cryptocurrency trading transactions and withdrawals are considered as sales of foreign currencies that could originate a gain or a loss. The tax rate applied over the taxable base is equal to 26%	Non-applicable	Cryptocurrency activities are considered to be economic activities subject to Personal Income Tax (IRPEF). If the entrepreneur is an individual the rate changes by income brackets: • 23% to 15.000; • 25% from 15.001 to 28.000; • 35% from 28.001 to 50.000; • 43% over 50.000 In addition the business activity income will be subject to IRAP (Regional tax on productive activities) equal to 3,9%. In the remote case the mining activity is performed by non professional individual the remuneration could be assimilated to winning prizes that result fully taxed (deduction of costs is not admitted)
Value	The capital gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale value. The capital gain will be determined applying the LIFO method (Last-In-First-Out)	Non-applicable	There is an obligation to register and pay taxes on the obtained taxable income. Expenses associated with the activity (computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the Italian tax law.

Corporate Income Tax

Taxable event	Non-applicable	The taxable event is the sale of cryptocurrencies .	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (for instance the custody of criptocurrencies).
Classification	Non-applicable	Cryptocurrency trading transactions may result in a gain or loss, generating a change in the composition of the taxpayer's assets. This gain or loss shall be taxed with IRES (Corporate Income Tax, equal to 24%) and IRAP (Regional tax on productive activities equal to 3,9%)	Cryptocurrency activities are considered to be economic activities subject to IRES (Corporate Income Tax, 24%) and IRAP (Regional tax on productive activities) varying from 3,9% to 5,9%.
Value	Non-applicable	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale value. The book value of the cryptocurrencies shall be updated at the end of each year applying the fair value method based on the average official quotation reported in the exchange online platforms	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.

Value Added Tax

Taxable event	Non-applicable	Non-applicable	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (i.e. intermediation activities).
Classification	Non-applicable	Non-applicable	VAT exemption. The Italian Revenue Office has adopted the orientation of the EU Court of Justice (Sentence C-264/14), deeming the activity - carried out in a professional and habitual manner - as a service that is relevant for VAT purposes, but falling within the scope of exempt services pursuant to art. 10 paragraph 1 no. 3 of Presidential Decree 633/72.
Value	Non-applicable	Non-applicable	Non-applicable

Non-Residents Income Tax

Taxable event	As general rule in Italy the non-resident income is taxed only if the income is produced in Italy (art.3 of Presidential Decree 917/1986). Pursuant to article 23 and 67 of Presidential Decree 917/1986 the capital gains should be escluded from taxation.	To be valuated if the activity implies a Permanent Establishment. In this case are applicable the ordinary rules for companies. Differently, the non resident company should be treated as an individual.	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (for instance the custody of criptocurrencies).
Classification	Non-applicable	Capital gains are considered as "other income"	In case the income from cryptocurrencies is produced in Italy it should be subject: • for companies to IRES (Corporate Income Tax, 24%) and IRAP (Regional tax on productive activities) varying from 3,9% to 5,9%; • for professional individual to IRPEF (Personal income tax), the tax rate depends on the income brackets
Value	Non-applicable	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay taxes on the income produced in Italy. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the Italian tax law.

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JAPAN

Definition	Virtual Currency (Cryptocurrency) is defined by FATF(Financial Act Task Force) as following: Valuable asset electronically recorded and available for transaction by electronical way. It can be means of payment and has function of valuation and storage. However it is not lawful currency.

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)

Wealth tax

Taxable event	No wealth tax in Japan

Personal Income Tax

Taxable event	Basically income or loss made by transaction of cryptocurrency is treated as miscellaneous income or loss. Therefore in case of loss such loss is not able to offset against other type of income such as salary income or business income. In case of profit such income is combined with other income and taxed on total income.
Classification	However in case transaction is made for business purposes income or loss made by the transaction is combined with other income and taxed on the net total income.
Value	Cost of cryptocurrency is valued by average method or moving average method.

Corporate Income Tax

Taxable event	When transaction in cryptocurrency is made. Also year end valuation at market value then.
Value	Cost of cryptocurrency is valued by average method or moving average method depends on choice of tax payer.

Value Added Tax (Japanese Consumption Tax: JCT)

Taxable event	Not subject to JCT.

Tax on Economic Activities

Taxable event	Income made by mining is taxable when it is realized.
Value	Taxable income is valued at the market value of the currency when it is realized.

Non-Residents Income Tax

Taxable event	Profit made by transaction of cryptocurrency attributable to a permanent establishment located in Japan is subject to Japanese income tax.

Gift tax and Inheritance tax

	Cryptocurrency is subject to those taxes.

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MALTA

Definition	A type of virtual currency that only exists digitally. It has no central issuing authority but uses a decentralized system to record transactions and manage the issuance of new units, and that relies on cryptography to prevent fraudulent transactions.

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)

Wealth tax

Taxable event	Ownership of virtual currencies by individuals is not taxed in Malta. It can only be taxed once it is generating a gain, i.e. when traded or sold.	
Classification	They shall be classified as intagible assets to be measured at cost or revaluation.	
Value	Market value of the assets on 31st December. In case of cryptocurrencies, whose market is extremely volatile, the value to be taken is the average of the last day of the year or the first value of that day.	In case the cryptocurrencies are used for economic activity, they are assets used for the taxpayer’s economic activity. The recognised value of the mined crypto should be the same market value of the date when these are mined.

Personal Income Tax

Taxable event	The taxable event is the transmission (sale or donation) of cryptocurrencies .	The activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies only the transmission (sale) of it, is considered to be a taxable event.
Classification	Cryptocurrency trading transactions may result in a capital gain or loss, insofar as they generate a change in the composition of the taxpayer's assets.	Cryptocurrency mining is considered to be an economic activity, however it perse it is exempt from taxation.
Value	The capital gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.

Corporate Income Tax

Taxable event	The taxable event is the transmission of cryptocurrencies .	The activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies only the transmission (sale) of it, is considered to be a taxable event.
Classification	Cryptocurrency trading transactions may result in a gain or loss, insofar as they generate a change in the composition of the taxpayer's assets. This gain or loss shall be taxed under CIT rules.	Cryptocurrency mining is considered to be an economic activity, however it perse it is exempt from taxation.

Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.

Value Added Tax

Taxable event	Cryptocurrencies are considered to be outside scope of VAT in Malta, hence no VAT is applicable	Cryptocurrencies are considered to be outside scope of VAT in Malta, hence no VAT is applicable
Classification	Bitcoins, cryptocurrencies and other digital currencies are currencies and therefore the financial services linked to them are exempt from VAT. However, the transfer of cryptocurrencies is considered to be outside scope of VAT.	The Commissioner of VAT states that mining services are not subject to VAT. In other words, VAT does not have to be charged on the income obtained by mining. It should be noted that input VAT on expenses related to the activity will not be deductible. The service of custody of cryptocurrencies through a platform not connected to the internet, as well as the staking service, is NOT subject to VAT.
Value	Non-applicable	Non-applicable

Tax on Economic Activities

Taxable event	Non-applicable	The activity of mining of cryptocurrencies and other economic acti-vities linked to cryptocurrencies only the transmission (sale) of it, is considered to be a taxable event.
Classification	Non-applicable	Cryptocurrency mining is considered to be an economic activity, however it perse it is exempt from taxation.
Value	Non-applicable	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provi-ded that they meet the requirements established by the law.

Non-Residents Income Tax

Taxable event	Non-applicable	The activity of mining of cryptocurrencies and other economic acti-vities linked to cryptocurrencies only the transmission (sale) of it, is considered to be a taxable event.
Classification	Non-applicable	Cryptocurrency mining is considered to be an economic activity, however it perse it is exempt from taxation.
Value	Non-applicable	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provi-ded that they meet the requirements established by the law.

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PARAGUAY

Definition	Currently, progress is expected in the regulation that guarantees legal, financial and fiscal security to businesses related to cryptocurrencies in the country. The Central Bank of Paraguay, does not recognize cryptocurrencies as a legal means of payment, and warns about the risks that volatility in the market entails.

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)

Wealth tax

Taxable event	It is not subject to Paraguayan taxes.
Classification	Non-applicable
Value	Non-applicable

Personal Income Tax

Taxable event	It is not subject to Paraguayan taxes.
Classification	Non-applicable
Value	Non-applicable

Corporate Income Tax

Taxable event	It is not subject to Paraguayan taxes.
Classification	Non-applicable
Value	Non-applicable

Value Added Tax

Taxable event	It is not subject to Paraguayan taxes.
Classification	Non-applicable
Value	Non-applicable

Tax on Economic Activities

Taxable event	It is not subject to Paraguayan taxes.
Classification	Non-applicable
Value	Non-applicable

Non-Residents Income Tax

Taxable event	It is not subject to Paraguayan taxes.
Classification	Non-applicable
Value	Non-applicable

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SERBIA

Definition	Under the interpretation of the General Directorate of Taxation, cryptocurrencies constitute "means of payment", which must be "declared together with other assets in the same way as foreign currency capital"

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)

Wealth tax

Taxable event	Ownership of virtual currencies by individuals is indeed taxed, as the wealth tax refers to"set of goods and rights of economic content [owned by the taxpayer]".	
Classification	They shall be classified as assimilable capital assets in foreign currencies.	
Value	Market value of the assets on 31st December. In case of cryptocurrencies, whose market is extremely volatile, the value to be taken is the average of the last day of the year or the first value of that day.	In case the cryptocurrencies are used for economic activity, they shall be exempt from Wealth Tax, as they are assets used for the taxpayer's economic activity.

Personal Income Tax

Taxable event	The taxable event is the transmission (sale or donation) of cryptocurrencies.	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of critpocurrencies and staking, for instance).
Classification	Cryptocurrency trading transactions may result in a capital gain or loss, insofar as they generate a change in the composition of the taxpayer's assets.	Cryptocurrency mining is considered to be an economic activity and as such is subject to taxation under Personal Income Tax if the miner is a natural person.
Value	The capital gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.

Corporate Income Tax

Taxable event	The taxable event is the transmission of cryptocurrencies .	The taxable event is the activity of mining of cryptocurrencies
Classification	Cryptocurrency trading transactions may result in a gain or loss, insofar as they generate a change in the composition of the taxpayer's assets. This gain or loss shall be taxed under CIT rules.	Cryptocurrency mining is considered to be an economic activity and as such is subject to taxation under CIT, if the miner is a legal entity.
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.

Value Added Tax

Taxable event	The taxable event is the transmission of cryptocurrencies .	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of critpocurrencies and staking, for instance).
Classification	Bitcoins, cryptocurrencies and other digital currencies are currencies and therefore the financial services linked to them are exempt from VAT. Consequently, the transfer of cryptocurrencies is subject to and exempt from VAT.	The General Directorate of Taxation states that mining services are not subject to VAT. In other words, VAT does not have to be charged on the income obtained by mining. It should be noted that input VAT on expenses related to the activity will not be deductible. The service of custody of cryptocurrencies through a platform not connected to the internet, as well as the staking service, is subject to and not exempt.
Value	Non-applicable	The tax base of the not exempt operations shall be the price of the service.

Trade Tax

Taxable event	Legal entities in Serbia are requested to pay 15% of the capital gain after selling cryptocurrencies.	As mining of cryptocurrencies is considered to be an economic activity, it is indeed a taxable event of this tax.
Classification		The General Directorate of Taxation has concluded that mining of cryptocurrencies is considered to be a financial service .
Value		The reference amount that shall determine the applicability of this tax is the annual income obtained by the taxpayer due to mining of cryptocurrencies .

Non-Residents Income Tax

Taxable event	The taxable event is the transmission of cryptocurrencies . The connection point of the operation shall be analysed, which will be set depending on the location of the company that offers the stocking service. Also, the corresponding DTA shall be analysed.	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of critpocurrencies and staking, for instance), through a permanent establishment located in SERBIA
Classification	Capital gains obtained in SERBIA are considered to be those that derive from other movable assets, other than securities, located in Serbian territory.	Cryptocurrency mining is considered to be an economic activity and as such is subject to taxation under the Non-Resident Income Tax.
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.

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SPAIN

Definition	Under the interpretation of the General Directora of Taxation, cryptocurrencies constitute "means of payment", which must be "declared together with other assets in the same way as foreign currency capital"

Tax treatment

	Cryptocurrency as an investment	Professional or economic activity (mining)
	Wealth tax	
Taxable event	Ownership of virtual currencies by individuals is indeed taxed, as the wealth tax refers to"set of goods and rights of economic content [owned by the taxpayer]".	
Classification	They shall be classified as assimilable capital assets in foreign currencies.	
Value	Market value of the assets on 31st December. In case of cryptocurrencies, whose market is extremely volatile, the value to be taken is the average of the last day of the year or the first value of that day.	In case the cryptocurrencies are used for economic activity, they shall be exempt from Wealth Tax, as they are assets used for the taxpayer's economic activity.
	Personal Income Tax	
Taxable event	The taxable event is the transmission (sale or donation) of cryptocurrencies.	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of critpocurrencies and staking, for instance).
Classification	Cryptocurrency trading transactions may result in a capital gain or loss, insofar as they generate a change in the composition of the taxpayer's assets.	Cryptocurrency mining is considered to be an economic activity and as such is subject to taxation under Personal Income Tax if the miner is a natural person.
Value	The capital gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.
	Corporate Income Tax	
Taxable event	The taxable event is the transmission of cryptocurrencies .	The taxable event is the activity of mining of cryptocurrencies
Classification	Cryptocurrency trading transactions may result in a gain or loss, insofar as they generate a change in the composition of the taxpayer's assets. This gain or loss shall be taxed under CIT rules.	Cryptocurrency mining is considered to be an economic activity and as such is subject to taxation under CIT, if the miner is a legal entity.
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.

Value Added Tax

Taxable event	The taxable event is the transmission of cryptocurrencies .	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of critpocurrencies and staking, for instance).
Classification	Bitcoins, cryptocurrencies and other digital currencies are currencies and therefore the financial services linked to them are exempt from VAT. Consequently, the transfer of cryptocurrencies is subject to and exempt from VAT (art. 20.Uno.18º VAT Law).	The General Directorate of Taxation states that mining services are not subject to VAT. In other words, VAT does not have to be charged on the income obtained by mining. It should be noted that input VAT on expenses related to the activity will not be deductible. The service of custody of cryptocurrencies through a platform not connected to the internet, as well as the staking service, is subject to and not exempt.
Value	Non-applicable	The tax base of the not exempt operations shall be the price of the service.

Tax on Economic Activities

Taxable event	Non-applicable	As mining of cryptocurrencies is considered to be an economic activity, it is indeed a taxable event of this tax.
Classification		The General Directorate of Taxation has concluded that mining of cryptocurrencies is considered to be a financial service (under dection 831.9).
Value		The reference amount that shall determine the applicability of this tax is the annual income obtained by the taxpayer due to mining of cryptocurrencies .

Non-Residents Income Tax

Taxable event	The taxable event is the transmission of cryptocurrencies . The connection point of the operation shall be analysed, which will be set depending on the location of the company that offers the stocking service. Also, the corresponding DTA shall be analysed.	The taxable event is the activity of mining of cryptocurrencies and other economic activities linked to cryptocurrencies (custody of critpocurrencies and staking, for instance), through a permanent establishment located in Spain.
Classification	Capital gains obtained in Spain are considered to be those that derive from other movable assets, other than securities, located in Spanish territory.	Cryptocurrency mining is considered to be an economic activity and as such is subject to taxation under the Non-Resident Income Tax.
Value	The gain or loss will be calculated by the difference between the purchase value of the cryptocurrency and its sale price.	There is an obligation to register and pay tax on the obtained income. Expenses associated with the activity (staff, computer equipment, graphics cards, electricity bills, rent of premises, etc.) may be deducted, provided that they meet the requirements established by the law.

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UNITED KINGDOM

Definition	The UK tax authorities (HMRC) does not consider cryptoassets to be currency or money and they identify three types of cryptoassets as follows: Exchange tokens (e.g. Bitcoin), Utility tokens, Security tokens and Stablecoin. The tax treatment of these is dependent upon the nature and use of the token. There is no specific UK tax legislation dealing with cryptocurrencies as HMRC believes that existing tax legislation is sufficient to impose any tax charges which are due. However in March 2021 HMRC published a special manual in relation to the tax treatment of Exchange Tokens for individuals and businesses, but this guidance excluded Utility Tokens, Security tokens or Stablecoin, along with crypto-deriviative contracts and other situations therefore the guidance is far from comprehensive.

Tax treatment

	Cryptocurrency as an investment	**Professional or economic activity (e.g. mining)**

Wealth tax

Classification	At the time of writing there is no wealth tax including on cryptocurrencies. However when a natural person dies their estate may be subject to inheritance tax and any crytocurrency they hold would form part of their estate.

Personal Tax

Classification	Cryptocurrency transactions may result in a capital gain or loss. The gain is then subject to Capital Gains Tax (CGT).	Where cryptocurrency activities are considered to be an economic activity they will be subject to taxation under Personal Income Tax.
Taxable event	The taxable event is the transmission of cryptocurrencies. This can include the sale, exchange, gifting or using the crytocurrency to pay for goods and services.	Where the person is buying and selling exchange tokens, providing goods and services in return for exchange tokens or mining for crytocurrency the 'Badges of Trade' much be considered to determine if the person is trading or not.
Value	The capital gain or loss will be calculated by the difference between the purchase consideration of the cryptocurrency and its sale price. The consideration is valued as the pound sterling value. Costs related to selling the currency can also be deducted (e.g. transactions fees, advertising costs, professional costs etc)	Profits from a trade involving crytoassets must be calculated in accordance with UK Generally Accepted Accounting Practice (GAAP) therefore business expenses associated with the activity may be deducted, provided that they meet the requirements established by the law.
Other	Cryptocurrencies must be pooled by each type of asset. Also Bed and Breakfasting an Matching rules also apply. Where the holder misplaces the private key this does not count as a disposal for capital gains tax purposes however, if it can be shown that there is no prospect of recovering the private key or accessing the cryptoassets, a Negligible Value Claim could be made and a capital loss created. Where the individual is UK resident but not domiciled in the UK, they can choose to opt to claim the Remittance Basis and if the exchange tokens were situated outside the UK and the consideration is not remitted to the UK then the gains may not be subject UK CGT.	Trading losses can potentially be carried back multiple years, offset against other income or carried forward.

Corporate Income Tax

Classification	HMRC do not view cryptoassets as a currency and hence the loan relationship rules do not apply to them. Cryptocurrency transactions therefore result in a chargeable gain or loss. This gain or loss is then taxed under CIT rules.	Where cryptocurrency activities are considered to be an economic activity they will be subject to taxation under the CIT rules.
Taxable event	The taxable event is the transmission of cryptocurrencies. This can include the sale, exchange, gifting or using the crytocurrency to pay for goods and services.	Where the person is buying and selling exchange tokens, providing goods and services in return for exchange tokens or mining for crytocurrency the 'Badges of Trade' much be considered to determine if the person is trading or not.
Value	The capital gain or loss will be calculated by the difference between the purchase consideration of the cryptocurrency and its sale price. The consideration is valued as the pound sterling value. Costs related to selling the currency can also be deducted (e.g. transactions fees, advertising costs, professional costs etc)	Profits from a trade involving crytoassets must be calculated in accordance with UK Generally Accepted Accounting Practice (GAAP) therefore business expenses associated with the activity may be deducted, provided that they meet the requirements established by the law. ICAEW guidance suggests that the cryptoassets would most likely be held as stock or intangible assets.
Other	Crytocurrencies must be pooled through each type of asset. Also Bed and Breakfasting an matching rules also apply. Where the holder misplaces the private key this does not count as a disposal for tax purposes however, if it can be shown that there is no prospect of recovering the private key or accessing the cryptoassets, a Negligible Value Claim could be made and a capital loss created.	Trading losses can potentially be carried back multiple years, offset against other income or carried forward.

Value Added Tax

Classification	HMRC have issued provisional guidance on the VAT treatment of crytocurrency transactions and therefore it is subject to change but it currently suggests: Where cryptocurrency is exchanged for traditional currency it is an underlying financial service which is therefore exempt from UK VAT. However where goods and services are supplied in exchange for cryptocurrency the transaction will be subject to VAT based on the good or service provided.	HMRC have issued provisional guidance on the VAT treatment of crytocurrency transactions and therefore it is subject to change but it currently suggests: Mining services areoutside the scope of VAT on the basis that the activity does not constitute an economic activity for VAT purposes because there is an insufficiant link between any services provided and any consideration received and there is no customer for the mining service. In other words, VAT does not have to be charged on the income obtained by mining. It should be noted that input VAT on expenses related to the activity will not be deductible. Furthermore where crytocurrency is exchanged for traditional currency it is an underlying financial service which is exempt from UK VAT.

Taxable event	The taxable event is the transmission of cryptocurrencies. This can include the sale, exchange, gifting or using the crytocurrency to pay for goods and services.	The taxable event is the economic activities linked to cryptocurrencies.

Non-Residents Tax

Classification	The general rule is that no CGT is payable on the disposal of any assets where the person is non-UK resident unless the asset was situated in the UK. Due to a lack of legislation it will be up to the courts to decide the situs of cryptoassets. HMRC's opinion is that in most circumstances the situs of the cryptoassets will be the same as the residence of the person however, this is based on the statutory rules if those rules do not provide an answer it will be decided by common law. Therefore for non-UK residents the most likely scenarios where an cryptoasset is situated in the UK would be where the the exchange tokens were held by an nominee, such as a cryptocurrency exchange, that is UK resident or carries out business in the UK. Conversely where the exchange tokens are held by a non-UK resident nominee with no place of business in the UK there is a strong argument that they are not UK situated for tax purposes.	Cryptocurrency mining is considered to be an economic activity and as such if it is carried out in the UK through a Permanent Establishment it will be subject to taxation in the UK.
Taxable event	The taxable event is the transmission of cryptocurrencies. This can include the sale, exchange, gifting or using the crytocurrency to pay for goods and services.	Where the person is buying and selling exchange tokens, providing goods and services in return for exchange tokens or mining for crytocurrency the 'Badges of Trade' much be considered to determine if the person is trading or not.
Value	The capital gain or loss will be calculated by the difference between the purchase consideration of the cryptocurrency and its sale price. The consideration is valued as the pound sterling value. Costs related to selling the currency can also be deducted (e.g. transactions fees, advertising costs, professional costs etc)	Profits from a trade involving crytoassets must be calculated in accordance with UK Generally Accepted Accounting Practice (GAAP) therefore business expenses associated with the activity may be deducted, provided that they meet the requirements established by the law.

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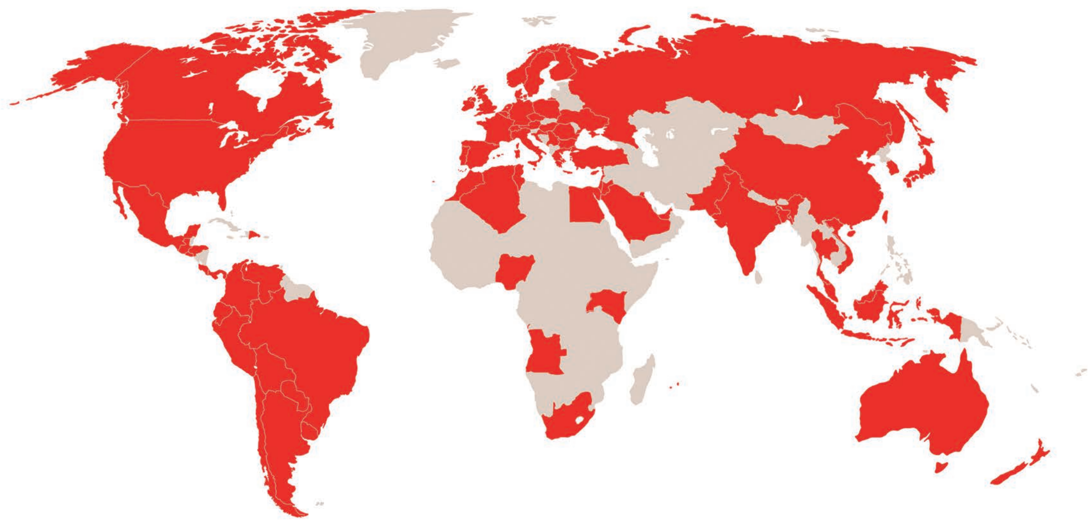

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