

CRYPTO TRANSACTIONS UNDER NEW SCRUTINY

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Starting 1 January 2026, crypto investors will be subject to new reporting obligations when buying, selling, transferring, or exchanging cryptoassets like Bitcoin. This will enable HMRC to connect cryptoasset transactions directly to individual tax records.

The latest figures show that seven million people in the UK own some form of cryptoasset, with the value of Bitcoin having increased significantly over the past year.

CAPITAL GAINS TAX (CGT) TREATMENT

For CGT purposes, cryptoassets are treated similar to shares, with each type of cryptoasset pooled. There will be a CGT disposal if you:

- Sell cryptoassets (even if the proceeds are not withdrawn from the exchange);
- Exchange one type of cryptoasset for a different type of cryptoasset;
- Use cryptoassets to pay for goods or services; or
- Make a gift of your cryptoassets to another person (unless it's to your spouse or civil partner).

There is no disposal if, for example, you simply move cryptoassets between different wallets.

REPORTING REQUIREMENTS

Individual investors will have to provide their name, date of birth, home address and either their national insurance number or their unique tax reference.

Using a non-UK based cryptoasset service provider will not avoid the reporting requirements if the provider is based in a country following the same rules. However, several countries that host providers have not yet signed up to the reporting requirements, and the use of a decentralised exchange might also circumvent the new rules.

Failing to disclose information to a cryptoasset service provider, or submitting an inaccurate or incomplete report, will be subject to a £300 fine.

HMRC

Cryptoasset service providers will report the collected cryptoasset data to HMRC. The first reports covering 2026 will be reported by May 2027, making it easier for HMRC to see if disposals have not been reported on an investor's self-assessment tax return. Previously, compliance has relied largely on voluntary disclosure.

Tax returns from 2024/25 onwards now include a dedicated section for gains made on cryptoassets in the CGT pages. HMRC's detailed guidance on the new cryptoasset reporting requirements can be found [here](#).

WE CAN HELP

If you require further information, please call us on 01753 888 211 or email info@nhllp.com. We are here to help.