

# Cryptoassets

---

Everything you need to know about the  
fascinating world of crypto

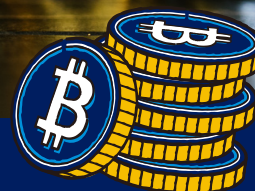


Forrester Boyd

CHARTERED ACCOUNTANTS



## Five Things You Need To Know



### What can I purchase?

Crypto is not currently recognised as a currency meaning no major high street shops will accept it as a form of payment.

### You have to pay tax

Any earnings/profits relating to crypto is subject to either Capital Gains Tax or Income Tax.



### Crypto is decentralized

They are not controlled by a central authority such as a government or financial institution, and at the moment, is not currently regulated.

### Crypto is very unpredictable

Cryptoassets have been subject to significant volatility, with prices sometimes fluctuating by large percentages in a single day.



### Where can I buy crypto?

Crypto can be bought on a variety of online platforms where buyers and sellers can trade crypto for fiat currency or other cryptoassets.

# Tax & Cryptocurrency

## Do I have to pay tax on my cryptocurrency investments?

Cryptocurrency is not classed as currency by the Treasury or HM Revenue & Customs (HMRC). They are instead regarded as assets, similar to shares, hence the term Cryptoassets. This means that when cryptoassets are purchased or sold, there are tax consequences that need to be considered and are usually taxed under the capital gains tax (CGT) regime.

## How does HMRC know about my cryptocurrency?

HMRC has sent information requests to UK-based crypto exchanges to ensure tax compliance. What they are hoping to achieve from this is a list of consumers that they can then target to ensure they are reporting their crypto gains correctly.

## Do I need to report cryptoasset losses to HMRC?

Yes, you should do this. It is also important to remember that losses are not recognised by HMRC unless they are reported. Therefore, taxpayers that only have losses should still report them to ensure they can be carried forward to be used against future gains.

## How do I report my cryptoasset gains and losses?

Your gains and losses are reported on a self-assessment tax return to HMRC. This will need to be filed for each tax year end. The tax year ends on the 5th April and the return needs to be filed by the 31st January following the year end. The tax will also need to be paid by this date. A registration form will need to be sent to HMRC to let them know you need to file self-assessment tax returns.



# Crypto



A closer look into the world of crypto and the numbers you need to know...



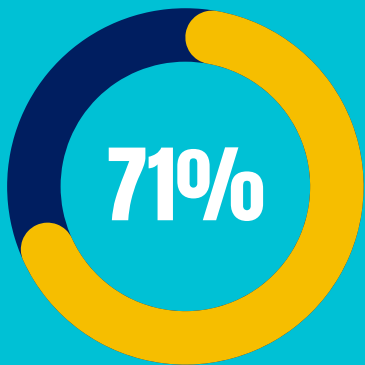
**6.1%**

of UK adults currently hold cryptoassets



**58%**

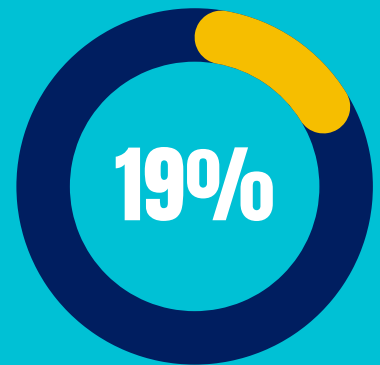
Not aware that tax is due when buying goods with crypto



of UK people are not interested in purchasing crypto



of UK people bought crypto for the first time in 2021



of UK people have bought crypto in the past

How many users had seen HMRC's guidance on how individuals who owned cryptoassets are taxed?

28%

How many users had received information on the tax treatment of cryptoassets from at least one source?

56%



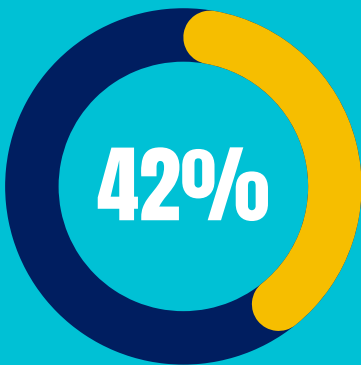
5.7%

Growth in the UK  
in the last year

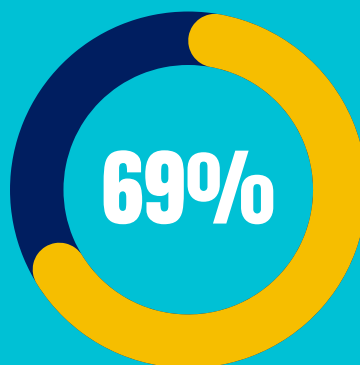


76%

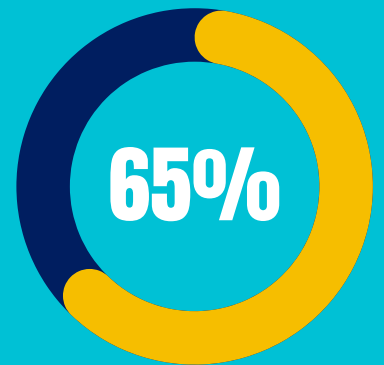
of people in the UK  
who own crypto are of a  
younger generation



People who are  
aware that crypto  
trading is taxed



Percentage of UK  
population who own  
crypto are males



of crypto users  
are Bitcoin owners



# The Future of Crypto

The long-term future of crypto is unknown but the short-term will focus on one important and key area: **Regulation**.

The treasury envisages that by regulating cryptoassets and therefore supporting them to a certain extent, the UK will be able to enjoy the potential benefits, growth and innovation boost.

This is a clear indication that crypto is going to start to be taken more seriously within government which will hopefully lead to clearer purpose-made tax legislation.

The overarching policies the treasury is trying to establish are:

1. Encourage growth, innovation, and competition in the UK
2. Enable consumers to make well-informed decisions, with a clear understanding of the risks involved
3. Protect UK financial stability
4. Protect UK market integrity

The government has confirmed that the **non-fungible tokens (NFTs)** will not be in the scope of this regulation as they represent a large variety of different assets which may not fall within the financial-services products that this regulation aims to capture.

# Crypto **Support**

If you are looking at investing in the world of crypto or already have invested, please do not hesitate to get in touch with us today.

We have a number of crypto experts ready to help and advise so you fully understand the tax implications of crypto investments.

## Extra **Reading**



**Scan me!**

Scan the QR code for more information on the future of crypto.

## Contact **Us!**

Speak to us today for a free initial discussion about how we could help you.

You can find the contact details for all of our branches on the back page of this booklet.

Additionally you can contact us on social media.



This guide is for guidance only, and professional advice should be obtained before acting on any information contained herein. Neither the publishers nor the distributors can accept any responsibility for loss occasioned to any person as a result of action taken or refrained from in consequence of the contents of this publication.

All statistics and data were sourced from Finder.com and are accurate at the time of publication.

Publication Date: March 2023

 **Forrester Boyd**  
CHARTERED ACCOUNTANTS

info@forrester-boyd.co.uk  
www.forrester-boyd.co.uk

Grimsby : 01472 350601  
Louth : 01507 606111  
Scunthorpe : 01724 863105  
Skegness : 01754 761777  
Beverley : 01482 889400  
Hull : 01482 889400