

02 April 2020

TAXMAN TO CRACKDOWN ON PROFITS FROM CRYPTOASSETS

As the end of the tax year nears, UK investors are being warned that their profits from investing in cryptoassets such as bitcoin are likely to come under greater scrutiny from the HMRC, according to investment platform eToro.

Last August HMRC required all UK based investment platforms and exchanges offering cryptoassets to provide details of all their crypto investors. While cryptoassets have always been subject to UK tax rules, as an emerging asset class it has, to date, been difficult for the taxman to monitor them. The move last year by HMRC suggests that they will be looking out for investors who have not declared their gains from cryptoassets.

Investors should begin working out their tax liabilities as soon as possible and start making provision to pay their bill. A lot of people holding cryptoassets are young and many are first time investors who have no experience of completing a tax return. To provide help eToro has developed a [calculator](#) that allows you to work out the tax you have to pay.

Iqbal V. Gandham, UK managing director of eToro, says: *“Cryptoassets like bitcoin have attracted a lot of interest from people who are new to investing and have probably never filed a tax return in their life. It’s really important for investors to start doing the maths now so they know how much profit they’ve made and the tax due. You don’t want to leave it too late and end up with a nasty shock when it’s time to pay your tax bill, or face a hefty fine if you miss the deadline. Our calculator can help crypto investors understand what they owe.”*

Gandham believes that the change of approach by HMRC shows that cryptoassets are now being taken more seriously. He explains: *“Bitcoin first made the news when its value began to soar and lots of people started investing in it, alongside other cryptoassets such as Ethereum. Crypto has become a gateway for investing and many of those original crypto investors have diversified into other assets, including stocks.”*

On the eToro platform, people invest in the actual cryptoasset. Selling, exchanging or using cryptoassets as a payment method are all considered a disposal by HMRC. No matter the reason for buying cryptoassets, whether for investment or to make a payment, when the

cryptoasset holder actions a disposal, any gains are liable to capital gains tax. Importantly, it is up to the investor to notify HMRC and pay any tax due.

In addition to the tax calculator, eToro has also published a series of [guides and helpful articles](#) on its website.

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Notes to editors

[About eToro](#)

eToro was founded in 2007 with the vision of opening up the global markets so that everyone can trade and invest in a simple and transparent way. The eToro Group consists of the eToro platform, our multi-asset trading and investment venue, and eToroX, which manages our crypto wallet and exchange.

The eToro platform enables people to invest in the assets they want, from stocks and commodities to cryptoassets. We are a global community of more than twelve million registered users who share their investment strategies; and anyone can follow the approaches of those who have been the most successful. Due to the simplicity of the platform users can easily buy, hold and sell assets, monitor their portfolio in real time, and transact whenever they want.

Disclaimer:

eToro is regulated in Europe by the Cyprus Securities and Exchange Commission, by the Financial Conduct Authority in the UK and by the Australian Securities and Investments Commission in Australia.

Cryptoassets are volatile instruments which can fluctuate widely in a very short timeframe and therefore are not appropriate for all investors. Other than via CFDs, trading cryptoassets is unregulated and therefore is not supervised by any EU regulatory framework. Your capital is at risk