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Guidance

Tell HMRC about unpaid tax on cryptoassets

Make a voluntary disclosure of any unpaid tax if you have income or gains from cryptoassets, including exchange tokens, NFTs and utility tokens.

From: **HM Revenue & Customs (/government/organisations/hm-revenue-customs)**

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Use this service if you have identified that you have any unpaid tax on cryptoassets (https://www.gov.uk/guidance/check-if-you-need-to-pay-tax-when-you-sell-cryptoassets) (also known as tokens or cryptocurrencies), for example:

- exchange tokens (for example, bitcoin)

- NFTs (non-fungible tokens)
- utility tokens

If you do not contact us to declare your unpaid tax, you could be liable to additional interest and penalties.

> If you need to declare any income or gains from the current or previous tax year, you will need to do this on your Self Assessment tax return (https://www.gov.uk/self-assessment-tax-returns).

Find out how to make a voluntary disclosure for unpaid tax (https://www.gov.uk/government/publications/hmrc-your-guide-to-making-a-disclosure) if it is not from cryptoassets.

If you want an agent to submit a disclosure on your behalf, you will need to give them temporary authorisation to deal with your tax (https://www.gov.uk/government/publications/authorise-hmrc-to-temporarily-deal-with-your-tax-adviser-comp1a).

Before you start

You'll need to sign in to submit a report. If you do not already have sign in details, you'll be able to create them.

Before you make a voluntary disclosure, you will also need to:

- collect information about the cryptoassets you owe tax on
- work out how many years you need to declare unpaid tax for
- work out the Capital Gains Tax and Income Tax you owe
- work out any interest you owe
- work out any penalties you will be liable for

What information you need

Before you start, you will need to gather all of the information we need. This will include:

- personal details (including: name, address, email address, contact telephone number)

- National Insurance number
- the number of cryptoasset transactions
- the amount of proceeds or income that you have not declared, including how many years you need to disclose (before any costs or expenses have been subtracted)
- the acquisition costs of the cryptoassets and any expenses incurred
- the amount of gains or profit you made (including any calculations)
- any cryptoassets exchanges that were used
- the number of cryptoassets that were disposed
- the tax and interest you owe (including any calculations)
- if you used a cryptoasset commercial calculator (and which one)

Dealing with cryptoassets can be complicated. You can appoint someone to deal with us on your behalf (https://www.gov.uk/appoint-tax-agent) or use a cryptoasset commercial calculator to help you with your calculation.

Work out how much you owe

How many years to disclose

The number of years that you need to disclose depends on why you have not told us or paid the right amount of tax before. You must decide whether this was not paid:

- despite taking reasonable care
- because you did not take care
- because it was something you did deliberately

If you've taken reasonable care
You'll only have to pay us what you owe for 4 years if you took care to make sure your tax affairs were right but still did not pay enough.

You must:

- make sure that your tax affairs for the current and later tax years are accurately reported on your tax returns by the deadline if issued to you
- make sure that your tax affairs for the year before the current tax year are reported on the tax return by the deadline if issued to you

- fill in the disclosure form and pay us what you owe for the 3 years before this one

If you did not take care
If you did not pay enough because you did not take enough care, you must pay HMRC what you owe for a maximum of 6 years. You must:

- make sure that your tax affairs for the current and later tax years are accurately reported on your tax returns by the deadline if issued to you
- make sure that your tax affairs for the year before the current tax year are reported on the tax return by the deadline if issued to you
- fill in the disclosure form and pay us what you owe for the 5 years prior to this one

If you deliberately misled HMRC about this income
If you have deliberately not paid enough tax, you will have to pay us what you owe for a maximum of 20 years.

Deliberately means that you knew you owed tax but chose not to tell us or that you knew the figures on your tax return were wrong when you submitted it.

Work out and show the calculations for Capital Gains Tax and Income Tax

You will need to work out how much gain you made after your personal allowance. Read more information about your personal allowance (https://www.gov.uk/guidance/capital-gains-tax-rates-and-allowances) to help you work this out.

How to work out your interest

Interest is charged on a daily basis from the date tax is due until the date it is paid. Any additional tax that you include in your disclosure will be late and due an interest charge. If you do not include the right interest, we will reject your disclosure.

You will need to work out how much tax you owe for each year before working out your interest. You can use the penalties and interest calculator to work out interest and penalties that are due on tax liability (https://www.gov.uk/guidance/calculate-interest-and-penalties-for-tax-years-ended-5-april-2003-to-5-april-2021).

How to work out your penalties

Use the factsheet on penalties for inaccuracies in returns (https://www.gov.uk/government/publications/compliance-checks-penalties-for-inaccuracies-in-returns-or-documents-ccfs7a) and penalties for failure to notify (https://www.gov.uk/government/publications/compliance-checks-penalties-for-failure-to-notify-ccfs11) to work out the appropriate penalty percentage from the penalty range and find out how it can be reduced.

You can then use the penalties and interest calculator to work out what penalty to add to your disclosure (https://www.gov.uk/guidance/calculate-interest-and-penalties-for-tax-years-ended-5-april-2003-to-5-april-2021).

When we check your disclosure, we will consider if the penalty you've applied is fair — there's a space on the disclosure form where you can give an explanation to help us reach our decision. We may need to contact you if you do not give an explanation. If we think the penalty you've applied is too low, we may carry out a further check of your tax affairs.

Make a disclosure

Make a disclosure for the money you owe HMRC — the offer you make us would usually be the full amount you owe, including any:

- unpaid tax
- penalties
- interest

Start now

After you've made a disclosure

We will write to you with your payment reference number once we've received your disclosure. If you do not get confirmation within 15 working days, contact the HMRC helpline.

After you receive a payment reference number, you should make a payment (https://www.gov.uk/guidance/pay-tax-on-cryptoassets) for any unpaid tax you've calculated. You must do this within 30 days of submitting your disclosure. If you cannot pay within this time, contact the HMRC helpline to discuss your options.

After we have checked your disclosure, we will either:

- send you a letter letting you know we have accepted your offer
- contact you to let you know we cannot accept your offer

If our checks show you knowingly gave us incorrect information on your disclosure, we may look at your tax affairs again and you may be liable to higher penalties.

If we need more information

We might contact you or your tax agent to give us evidence to help us complete our checks. If you do not give us the information we need, your offer might not be accepted.

Contact HMRC

Contact HMRC if you have made a disclosure and you:

- have not received your payment reference number within 15 working days
- cannot pay what you owe within the next 30 days
- have left something important out of your disclosure

> Telephone: 03000 55 22 94
> Monday to Thursday, 9am to 5pm
> Friday, 9am to 4:30pm
> Find out about call charges (https://www.gov.uk/call-charges).

If you realise you've missed something out of your disclosure, you can also write to:

> WMBC
> HM Revenue and Customs
> BX9 1BN

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