HMRC internal manual

Cryptoassets Manual

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

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CRYPTO22500 - Cryptoassets for individuals: Capital Gains Tax: S24 and negligible value

As with other types of assets, individuals can crystallise losses for tokens that they still own if they become worthless or of ‘negligible value’ while owned.

A negligible value claim (https://www.gov.uk/government/publications/negligible-value-claims-and-income-tax-losses-on-disposals-of-shares-you-have-subscribed-for-in-qualifying-trading-companies-hs286-self-assessment-he) treats the tokens as being disposed of and immediately re-acquired at an amount stated in the claim. As tokens are pooled, the negligible value claim needs to be made in respect of the whole section 104 pool, not the individual tokens.

The negligible value claim will need to state the:

- asset which is the subject of the claim
- amount the asset should be treated as disposed of (which may be £nil)
- date that the asset should be treated as being disposed of and immediately reacquired

The disposal produces a loss that needs to be reported to HMRC. Negligible value claims can be made to HMRC at the same time as reporting the loss.

More information about negligible value claims can be found in CG13120P (https://www.gov.uk/hmrc-internal-manuals/capital-gains-manual/cg13120p).

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