HMRC internal manual

International Exchange of Information Manual

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IEIM8000030 - Cryptoasset Reporting Framework – Introduction

The Cryptoasset Reporting Framework (CARF) introduces new rules that require UK Reporting Cryptoasset Service Providers (RCASPs) to undertake due diligence on their users and report tax-relevant cryptoasset data. UK RCASPs are required to collect information on UK resident cryptoasset users and cryptoasset users resident in reportable jurisdictions.

Aggregated transactional information is reportable to HMRC who will exchange information on users resident in CARF implementing jurisdictions. Information on UK residents will also be provided to HMRC by UK RCASPs and RCASPs located in other CARF implementing jurisdictions.

The OECD CARF rules and commentary (https://www.oecd.org/en/publications/internationalstandards-for-automatic-exchange-of-information-in-tax-matters_896d79d1-en/full-report.html) (the Rules) are the primary source for interpretating CARF obligations in the UK. The OECD also publishes FAQs (https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/tax-transparency-and-international-co-operation/faqs-crypto-asset-reporting-framework.pdf) that provide further guidance on specific issues. The OECD has published a standardised XML schema (https://www.oecd.org/en/publications/crypto-asset-reporting-framework-xml-schema-july-2025_6e60235b-en.html) for CARF reporting, which provides technical specifications for data submission.

Entities or individuals who may be RCASPs will need to:

- Establish if they are within the definition of a RCASP - What is a Reporting Cryptoasset Service Provider? (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim8000100)
- Establish what counts as a relevant cryptoasset - What is a Relevant Cryptoasset?
- Establish if they are a UK RCASP by considering the nexus rules - Nexus rules (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim8000300)
- Understand their obligations to conduct due diligence on cryptoasset users - Due Diligence guidance (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim8000400)
- Understand the information that needs to be reported to HMRC - Reporting Requirements (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim8000500)
- Understand the potential penalties that may apply in the case of non-compliance with the rules - (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim8000600)Compliance and Penalties (https://www.gov.uk/hmrc-internal-

manuals/international-exchange-of-information/ieim8000600)

Cryptoasset users will need to:

- Understand the information they are required to provide to RCASPs - The requirement to collect a self-certificate (https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim8000430)

The Rules also introduce a number of terms and definitions. The UK has adopted these within the CARF regulations. All the terms and definitions mentioned in the guidance are specific to the Rules. For guidance on the UK taxation of cryptoassets see HMRCs cryptoasset manual (https://www.gov.uk/hmrc-internal-manuals/cryptoassets-manual)

This guidance provides an overview of the CARF, outlines how it applies in the UK and details the obligations under the framework.

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