



Committee of Experts on International Cooperation in Tax Matters

30th Session

Taxation of Crypto-assets

Report from the Ad Hoc Group

Background

26th Session

A report analyzing the risks and challenges of crypto-assets for tax systems, particularly in developing countries, was presented.

The Committee established an Ad Hoc Group to advance the work.

27th Session

The Ad Hoc Group proposed developing a Toolkit to evaluate tax risks from crypto-assets, presenting an outline and a work plan.

28th Session

The ad hoc group presented the first part of the Toolkit for first consideration, covering crypto reporting and tax crimes, and crypto losses and deductions.

29th Session

The Committee approved the first part of the Toolkit.

The second part of the Toolkit, covering crypto functional substitutes risks, was presented for first consideration.

Toolkit for the Evaluation of Crypto Tax Risks

The Toolkit is a practical, structured framework for the identification and assessment of crypto tax risks

approved
Crypto reporting and tax crimes

approved
Crypto losses and deductions

for approval
Crypto functional substitutes risk

The Toolkit contains:

A **Snapshot** and an **Introduction** to its purpose and scope

A **Guide** on how to use the Toolkit

Questionnaires for targeted evaluation

Commentaries offering background on the different risks

Crypto Functional Substitutes Risk

Where crypto transactions act as ‘functional substitutes’ for traditional transactions but because tax laws weren’t drafted with crypto-assets in mind, there are opportunities for tax arbitrage

Questionnaires

Structured specifically to help users systematically evaluate ***crypto functional substitutes risks***. Users can choose to go through all the questionnaires in a single exercise or complete a particular questionnaire to focus on a specific sub-risk that they wish to assess.

Commentary

Complement the questionnaires and give background information, including the rationale behind each question. This section is intended to be read in conjunction with the questionnaire in order to ensure a thorough understanding and practical application of the content.



Key Improvements since last Session

Changes to the Toolkit were made based on feedback received during and after the 29th Session



Improvements include:

Clarity refinements for accuracy (e.g., replacing "wages" with "remuneration")

Technical adjustments (e.g., clarifying the distinction between crypto-assets as debt instruments and crypto-asset lending as debt instrument)

Additional details, such as noting reporting thresholds for compliance

Editorial revisions to ensure consistency across sections



The Ad Hoc Group **seeks approval** for the second part of the Toolkit

Recommendation for next Membership

- Crypto taxation is of growing importance
- New field and tax administration / ministries have limited experience
- Recommendation is for next membership to set up a dedicated Subcommittee to engage in further work

Thank you