GSLTF · ADDIS TAX INITIATIVE WEBINAR

Recommendations on Crypto-Asset Levy

A policy briefing for governments on taxing crypto-assets

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Presenters: **Dr. Tatiana Falcão** · **Dr. Max Bernt** · **Prof. Noam Noked**

WHAT WE WILL COVER

Three questions shape the government conversation on crypto tax

01

Why crypto taxation has become a mainstream policy issue

Speaker **Dr. Tatiana Falcão**

02

How CARF and CRS 2.0 make enforcement more realistic

Speaker **Dr. Max Bernt**

03

Which domestic tax approaches governments can adopt now

Speaker **Prof. Noam Noked**

CLOSING Three practical policy recommendations governments can act on now

PART I

Why crypto taxation is now a mainstream government issue

Speaker **Tatiana Falcão**

Crypto is no longer a niche issue for tax administrations

≈ USD 3.7–4T

Estimated global crypto market capitalization, early August 2025

Now both a store of value and part of payment infrastructure — including remittances and cross-border transfers.

Asset class

Held as a store of value and a speculative investment.

Payment rail

Used for remittances and cross-border transfers.

Stablecoins

Increasingly function like global payment systems.

Policy pressure

Transparency and enforcement now demand attention.

Crypto has evolved from a niche concept into a significant financial and technological force.

WHY GOVERNMENTS CARE

Governments are balancing four policy goals at once

Crypto tax policy sits at the intersection of innovation, stability, integrity, and protection.

Enable innovation

Support legitimate market development and technological progress.

Protect stability

Safeguard monetary and financial stability as adoption grows.

Counter illicit use

Deter crypto-related crime and tax evasion.

Protect participants

Ensure consumer and investor protection.

No single instrument satisfies all four goals — design reflects national priorities and capacity.

Tax treatment depends on how crypto is being used

Different assets serve different economic functions — and call for different tax treatment.

Store of value

Speculative holdings such as Bitcoin or Ethereum.

Suits an income / capital-gains lens.

Means of payment

Cross-border transfers, remittances, unstable-currency use.

Better suited to transaction-based design.

Stablecoins

Increasingly function like global payment systems.

Now drawn into CRS 2.0 reporting scope.

Tokenized & utility

Tokenized assets and utility tokens on-chain.

Raise distinct classification questions.

> *Design should follow economic function — one uniform rule fits none of these categories well.*

The debate improves when myths are separated from facts

MYTH	REALITY
All crypto is one thing.	**Token types and functions differ significantly across the market.**
All crypto is a climate problem.	**Environmental concern is concentrated in proof-of-work systems.**
Crypto is only speculative.	**Some uses include payments, financial inclusion, and philanthropy.**
Governments cannot tax crypto.	**Enforcement is hard, but the reporting architecture is now improving.**

The environmental concern is real, but it is not uniform

Energy use is concentrated in one consensus model — so policy can be targeted, not blanket.

Proof-of-work (e.g. Bitcoin)

- Potentially energy-intensive and raises environmental questions.
- Some mining relies on renewable or otherwise wasted energy.
- A natural target for an environmental design overlay.

Proof-of-stake

- Consumes dramatically less energy than proof-of-work.
- Environmental footprint is a fraction of mining-based systems.
- Argues for differentiating models rather than taxing all crypto alike.

Governments should distinguish between technical models rather than treating all crypto the same way.

Policy is also shaped by transparency and illicit-finance concerns

Alongside revenue, a levy can be framed as part of financing the capacity to enforce.

Harder tracing

Some assets and structures make tracing harder and can facilitate illicit activity.

Ransomware rail

Bitcoin remains a common payment rail in ransomware and extortion cases.

Capacity needed

Governments need digital tools, regulatory oversight, and tax visibility to respond credibly.

A dual rationale. A levy can serve not only as a revenue tool, but also as part of financing enforcement capacity.

The hardest problem has been enforceability, not legal design

A visibility gap

Legal rules can exist on paper, yet fail in practice when administrations cannot see the activity they are meant to tax.

This is why the reporting architecture matters as much as the tax rule itself.

Dual nature

Crypto can look like both an investment asset and a payment instrument.

Self-reporting reliance

Many systems still depend too heavily on taxpayer self-reporting.

Fragmented visibility

Offshore platforms, self-hosted wallets, and scattered intermediaries reduce visibility.

PART II

CARF and CRS 2.0 create the enforcement backbone

Speaker **Max Bernt**

CARF is the next chapter in a longer transparency build-out

2010–14

FATCA

US FATCA forces global institutions to report on US account holders; the G20 calls for a global equivalent.

2014–17

CRS launched

OECD's Common Reporting Standard brings automatic exchange for traditional financial accounts.

2018–21

Crypto gap

Crypto growth exposes a major reporting gap outside the traditional regime.

2022–23

CARF & CRS 2.0

OECD develops CARF and amends CRS to address digital-asset and adjacent activity.

2026–28

Implementation

System moves from design to implementation; data collection and first exchanges begin.

FATCA and CRS built automatic exchange for traditional accounts; CARF extends it to digital assets.

CARF is becoming a global reporting standard

70+

jurisdictions transposing CARF or equivalent pathways on staggered timelines

Two large adoption waves

Major waves of implementation are expected in 2027 and 2028.

Staggered domestic timelines

Jurisdictions are transposing the framework into domestic law at different speeds.

A standard with local overlays

An international standard implemented through local rules — governments do not solve this alone.

Read CARF as an international reporting standard with local overlays — not a niche crypto rule.

CARF and CRS 2.0 were designed to work together, not duplicate

The two frameworks interlock rather than overlap — giving a clear map of who reports what.

	CARF	CRS 2.0
Focus	Direct crypto-asset activity	Adjacent digital financial (tokenized) products
What is reported	Transaction-level reporting for relevant crypto-assets	Stablecoins, CBDCs, e-money, and indirect crypto exposure
Who reports	Reporting crypto-asset service providers (RCASPs)	Financial institutions offering these products
Core question	Who reports · what is reported · under which regime	Who reports · what is reported · under which regime

Together they give governments a practical coverage map to operationalize enforcement.

CARF focuses on players, assets, and transactions

Players

- Reporting Crypto-Asset Service Providers (RCASPs)
- Exchanges, brokers, and dealers
- Some wallet providers and crypto ATMs

Assets

- Crypto-assets used for payment or investment
- A deliberately broad set of relevant assets
- CBDCs and closed-loop assets route to CRS 2.0

Transactions

- Crypto-to-fiat and crypto-to-crypto exchanges
- Transfers off platform to external wallets
- Certain high-value retail payments

The regime is transaction-based rather than account-balance based — framed around reporting intermediaries.

CARF makes tax visibility operational

A clear chain runs from the individual user to the partner jurisdiction receiving the data.

STEP 1
User
Identified by the provider, who collects self-certifications.

STEP 2
Provider
Applies due diligence and look-through rules where required.

STEP 3
Domestic authority
Receives transaction data reported by the provider.

STEP 4
Partner jurisdiction
Data is exchanged with the taxpayer's home jurisdiction.

Due diligence reuses existing AML and CRS logic — providers do not build a separate process from scratch.

The shift is from self-reporting to third-party visibility

Reporting does not replace domestic tax choices — it makes almost every one of them enforceable.

Before: self-reporting

- Offshore holdings and foreign providers stayed largely invisible.
- Enforcement leaned heavily on voluntary taxpayer disclosure.
- Audits, campaigns, and risk assessment had a weak starting point.

After: third-party visibility

- Materially better enforceability for exchange- and intermediary-based activity.
- A stronger basis for audits, compliance campaigns, and risk assessment.
- A common language for engagement with the OECD Global Forum.

This makes domestic tax enforcement far more realistic than before.

CARF is a major step forward, but it does not solve everything

International reporting still needs to be complemented by domestic law and supervision.

Peer-to-peer & DeFi

Some peer-to-peer activity and DeFi structures remain difficult to capture.

Ownership & control

Beneficial ownership and control questions still matter in practice.

Self-hosted wallets

Self-hosted wallets continue to raise visibility challenges.

Domestic complement

National law, supervision, and enforcement must complement reporting.

The remaining gaps are precisely the areas where multilateral work still matters most.

PART III

Domestic tax design still requires local policy choices

Speaker **Noam Noked**

Countries have four broad levy approaches to choose from

01

Income / gains levy

On income or capital gains from crypto-assets.

02

Transaction levy

On crypto trades, exchanges, or payments.

03

Service-provider levy

On crypto-asset service providers (CASPs).

04

Environmental levy

On proof-of-work mining or high-carbon activity.

Each path raises different issues of neutrality, nexus, enforceability, and coordination.

The best tax design depends on the government's objective

Approach	Fits existing system	Enforceability	Key concern
Income / gains	High	Medium — self-reporting unless withheld	Depends on third-party data
Transaction	Medium	High — aligns with reporting flows	Simple to conceptualize
Service providers	Medium	Medium	Nexus and treaty-style concerns
Environmental (PoW)	Targeted	Low–Medium	Coordination if mining is mobile

No single option dominates — the best choice depends on objective, capacity, and coordination appetite.

Domestic practice is emerging, but enforcement remains uneven

Early adopters show both the potential and the limits of purely domestic design.

India

A withholding-style deduction at source on many crypto transactions.

Brazil

IOF applied in certain FX situations involving crypto with foreign CASPs.

Denmark & Norway

Show the value of obtaining transaction data and linking it to taxpayer identity.

The common lesson

Coordination matters because activity can migrate offshore.

Many countries already tax crypto income and gains, but approaches are not harmonized.

REPORT BENCHMARK

A low-rate transaction levy with an environmental overlay

Countries may combine tools by objective; the benchmark direction is a low-rate crypto transaction levy.

BENCHMARK DIRECTION

Low-rate crypto transaction levy

PROOF-OF-STAKE

Lighter design

Low-energy consensus; lighter environmental overlay.

PROOF-OF-WORK

Higher rate / add-on

Energy-intensive mining carries an environmental overlay.

Combine tools by objective

Strong third-party reporting is critical

All models weaken on self-reporting alone

PART IV

Recommendations

THREE RECOMMENDATIONS

Governments can act now, even before a full crypto tax system

01

Define crypto in law

Create basic legal definitions for crypto-assets in domestic law, including tax definitions where not yet in place.

02

Join CARF

Join the OECD's Crypto-Asset Reporting Framework to gain visibility for enforcement and access OECD Global Forum expertise.

03

Issue public guidance

Publish clear guidance on how crypto is taxed, so taxpayers understand the rules and cannot claim they did not know.

Definitions, visibility, and guidance can be advanced in parallel with — not after — designing the levy.

IMPLEMENTATION ROADMAP

From policy principle to implementation

A practical government roadmap starts with foundations, visibility, and guidance — then calibration.

1 Classify & define

Classify and define the relevant crypto-assets and taxpayers.

2 Build visibility

Build reporting visibility through CARF and domestic compliance frameworks.

3 Communicate

Communicate clearly through public guidance, examples, and administrative practice.

4 Calibrate design

Calibrate the tax design to local objectives, capacity, and risk appetite.

Foundations first, then visibility and communication — calibration of the levy comes last, not first.

IN CLOSING

From theory to enforceable policy

- Crypto taxation is no longer only a conceptual debate.
- International reporting architecture is arriving, making domestic enforcement more realistic.
- The question is no longer whether crypto can be taxed, but which approach best fits national objectives and capacity.

For discussion:

revenue · environmental externality · integrity & enforcement · administrative capacity · coordination appetite

Thank you

Tatiana Falcão · Max Bernt · Noam Noked