# Reform UK pledges 10% capital gains tax on crypto to boost digital finance hub



Reform UK has made a bold pledge to reshape the landscape of cryptocurrency taxation in the UK, promising to reduce capital gains tax on digital currencies like Bitcoin to just 10% if elected. Party chairman Zia Yusuf, speaking to reporters, articulated that this tax cut could potentially generate an additional £1 billion for the Treasury over a decade, a strategy he believes would stimulate adoption and encourage individuals to relocate their assets to the UK.

Currently, capital gains taxes on cryptocurrencies range from 18% to 24%, depending on the individual’s income tax bracket. Yusuf’s proposal aims to reverse the trend of diminished competitiveness, asserting that the UK is “losing ground” to other countries in the burgeoning digital asset market. He expressed confidence that such reforms would empower the financial services sector to "catapult itself back into being a leader," emphasising a necessary pivot towards embracing cryptocurrency.

The announcement coincides with remarks from party leader Nigel Farage, who has pledged to transform London into a global hub for digital assets. Addressing an audience at the Bitcoin Conference in Las Vegas, Farage urged the British population, particularly younger generations, to support their initiatives in bringing the country into the “21st century.” He reiterated the permanence of cryptocurrencies in the financial landscape, stating, “Let’s recognise that crypto, Bitcoin, digital assets, are here to stay.”

One of the pivotal measures proposed by Reform UK involves allowing taxpayers to settle their tax obligations in Bitcoin, alongside the establishment of a “Bitcoin reserve fund” designed to diversify the UK’s reserve holdings. This reflects a wider trend as cryptocurrencies gain traction; recent research indicates that approximately 12% of UK adults own or have owned crypto assets, a significant increase from just 4% in 2021. This rising popularity has prompted official channels to take notice, with Chancellor Rachel Reeves announcing plans to regulate crypto assets rigorously, aiming to position the UK as a “world leader” in this sector.

Contrastingly, the UK government has also taken steps to tighten its grip on crypto taxation and compliance. From 2025, taxpayers will be required to declare their crypto assets separately on tax forms, a change that aims to recover up to £10 million annually for public services. Moreover, the UK has joined 48 other nations in a historic agreement to combat the misuse of crypto assets for tax evasion, introducing the Crypto-Asset Reporting Framework (CARF) that will facilitate the sharing of taxpayer information between countries. This demonstrates an increasingly rigorous approach to ensure tax compliance within the rapidly evolving digital currency landscape.

In a sign of the shifting tides in public perception, Reform UK has already begun accepting cryptocurrency donations, marking a pioneering move in the political fundraising sphere. Yusuf confirmed these contributions are compliant with Electoral Commission regulations, a promising development for how political entities might engage with the evolving landscape of digital financing.

This legislative push comes as a multitude of other sectors, including charities, are starting to embrace cryptocurrencies. For instance, JustGiving has recently begun accepting donations in various cryptocurrencies, aiming to attract a wider donor base. This shift underscores the changing dynamics of fundraising and illustrates the potential for cryptocurrencies to enhance financial opportunities across diverse fields, despite the accompanying risks of volatility and regulatory scrutiny.

As Reform UK positions itself at the forefront of advocacy for cryptocurrency, the implications for broader public policy and the economic landscape remain to be fully realised. The proposals, if implemented, could mark a significant shift in the UK's financial framework, one that could attract innovation while navigating the complexities of regulation and compliance inherent in the cryptocurrency space.

## Reference Map:

* Paragraph 1 – [[1]](https://www.irishnews.com/news/uk/reform-backs-cryptocurrency-tax-cut-as-party-receives-first-bitcoin-donations-VIBHPIWKG5JKTDYNB75FMV2F44/), [[2]](https://www.irishnews.com/news/uk/reform-backs-cryptocurrency-tax-cut-as-party-receives-first-bitcoin-donations-VIBHPIWKG5JKTDYNB75FMV2F44/)
* Paragraph 2 – [[1]](https://www.irishnews.com/news/uk/reform-backs-cryptocurrency-tax-cut-as-party-receives-first-bitcoin-donations-VIBHPIWKG5JKTDYNB75FMV2F44/), [[3]](https://www.coindesk.com/policy/2023/03/15/uk-adds-crypto-declaration-in-tax-forms)
* Paragraph 3 – [[2]](https://www.irishnews.com/news/uk/reform-backs-cryptocurrency-tax-cut-as-party-receives-first-bitcoin-donations-VIBHPIWKG5JKTDYNB75FMV2F44/), [[4]](https://www.gov.uk/government/news/uk-leads-international-crackdown-on-crypto-tax-evaders)
* Paragraph 4 – [[5]](https://londonlovesbusiness.com/uk-fundraising-platform-now-accepting-cryptocurrency-donations/), [[6]](https://www.coindesk.com/policy/2023/04/27/uk-charities-offered-guidance-for-accepting-crypto-donations)
* Paragraph 5 – [[1]](https://www.irishnews.com/news/uk/reform-backs-cryptocurrency-tax-cut-as-party-receives-first-bitcoin-donations-VIBHPIWKG5JKTDYNB75FMV2F44/), [[2]](https://www.irishnews.com/news/uk/reform-backs-cryptocurrency-tax-cut-as-party-receives-first-bitcoin-donations-VIBHPIWKG5JKTDYNB75FMV2F44/)

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## Bibliography

1. <https://www.irishnews.com/news/uk/reform-backs-cryptocurrency-tax-cut-as-party-receives-first-bitcoin-donations-VIBHPIWKG5JKTDYNB75FMV2F44/> - Please view link - unable to able to access data
2. <https://www.irishnews.com/news/uk/reform-backs-cryptocurrency-tax-cut-as-party-receives-first-bitcoin-donations-VIBHPIWKG5JKTDYNB75FMV2F44/> - Reform UK has pledged to reduce capital gains tax on cryptocurrencies to 10% and establish a 'Bitcoin reserve fund' if elected. Party chairman Zia Yusuf suggested this could generate up to £1 billion for the Treasury over a decade. Additionally, Reform UK will allow tax payments in Bitcoin and has already received its first cryptocurrency donations, all compliant with Electoral Commission rules. Party leader Nigel Farage announced plans to make London a major trading centre for digital assets.
3. <https://www.coindesk.com/policy/2023/03/15/uk-adds-crypto-declaration-in-tax-forms> - The UK government has mandated that taxpayers separately report crypto assets on their tax forms, effective from the tax year ending in April 2025. This change aims to raise an additional £10 million annually for public services. Chancellor Jeremy Hunt announced the move in the annual budget, requiring amounts related to cryptoassets to be identified separately on capital gains tax forms.
4. <https://www.gov.uk/government/news/uk-leads-international-crackdown-on-crypto-tax-evaders> - The UK has agreed to a historic joint statement with 48 countries to combat the use of crypto-assets for tax evasion. The Crypto-Asset Reporting Framework (CARF), spearheaded by the UK, will require crypto platforms to share taxpayer information with tax authorities, ensuring information exchange to enforce tax compliance. CARF is expected to take effect in time for exchanges with other countries to start from 2027.
5. <https://londonlovesbusiness.com/uk-fundraising-platform-now-accepting-cryptocurrency-donations/> - Leading UK fundraising platform JustGiving has begun accepting cryptocurrency donations, making it the first of its kind in the country. Through a partnership with The Giving Block, donors can contribute using over 60 types of cryptocurrencies, including Bitcoin, Ethereum, and Tether. This initiative aims to attract a broader range of donors and increase opportunities for charities to receive support in innovative ways.
6. <https://www.coindesk.com/policy/2023/04/27/uk-charities-offered-guidance-for-accepting-crypto-donations> - The Charity Commission has issued guidance for English and Welsh charities on accepting crypto donations. Charities are advised to keep accurate records and comply with tax and money-laundering rules. The Commission highlighted the risks associated with cryptocurrencies, such as volatility and susceptibility to hacks, and emphasized the need for trustees to exercise caution when considering accepting digital assets.
7. <https://www.coindesk.com/policy/2023/04/27/uk-charities-offered-guidance-for-accepting-crypto-donations> - The Charity Commission has issued guidance for English and Welsh charities on accepting crypto donations. Charities are advised to keep accurate records and comply with tax and money-laundering rules. The Commission highlighted the risks associated with cryptocurrencies, such as volatility and susceptibility to hacks, and emphasized the need for trustees to exercise caution when considering accepting digital assets.