# UK party proposes radical crypto tax cuts and Bitcoin tax payments to boost investment



Plans to radically overhaul cryptocurrency regulation were announced by a growing political party aiming for greater influence in the next election. Chairperson Zia Yusuf has proposed slashing capital gains tax on cryptocurrencies like Bitcoin to a mere 10%, a drastic drop from the current rates of 18% or 24%. This move is, of course, framed as an effort to stimulate investment within the UK and could allegedly generate up to £1 billion for the Treasury over the next decade. Yusuf lamented that the current tax regime suffocates growth, claiming, “We’re losing ground to other countries,” while positioning their proposals as a way to reclaim the UK’s financial leadership.

This initiative is positioned as part of a broader ambition to weave digital currencies more tightly into the public finance fabric. Additionally, under their proposed reforms, citizens could even pay their taxes in Bitcoin, with plans for a "Bitcoin reserve fund" to diversify the UK’s reserves. This strategy seems aimed especially at appealing to younger voters, whose interest in cryptocurrencies is rising sharply—ownership in this demographic has surged from 4% in 2021 to around 12% today.

At a cryptocurrency conference in Las Vegas, the party leader articulated a bold vision for a so-called “crypto revolution” in the UK, suggesting that London should emerge as a leading hub for digital currencies. He asserted the need for adaptation, stating, “Let’s recognise that crypto, Bitcoin, digital assets, are here to stay.” While such ambitions may sound enticing, they come saddled with significant implications, including considerable cuts to traditional revenue sources, such as foreign aid and green initiatives, which critics argue are essential for a sustainable future.

The party's acceptance of cryptocurrency donations, already underway, only deepens concerns regarding their integration of digital finances into political funding. The receipt of donations in Bitcoin, compliant with Electoral Commission regulations, draws attention to a trend that some may find unsettling—a potential infusion of foreign influence through substantial donations from figures like Elon Musk. Such developments could fundamentally alter the political landscape, raising questions about the motivations and impacts of extreme wealth in shaping policy.

Despite the ambitious plans, criticism abounds. Many skeptics rightly question the viability of these reforms and the consequences of cutting foreign aid and environmental funding. While Yusuf claims that this fiscal strategy could realize savings of up to £45 billion, opponents highlight the absence of solid evidence to back such sweeping assertions.

As the discourse around cryptocurrencies heats up, the cautious stance of the current government stands in stark contrast to the proposed reforms. The UK Treasury has recently expressed a notable reluctance to establish a strategic Bitcoin reserve, citing the volatility and risks inherent in crypto markets—factors that they argue complicate asset management. As the political and economic climate shifts in the wake of the recent general election and the ascent of a new Labour government, the opposition's aggressive push for cryptocurrency integration raises critical questions about the future of financial and governance integrity in the UK. The evolving situation sets the stage for potential clashes as local elections approach, with the party seeking not only to draw disillusioned voters but to morph into a significant and credible player in UK politics.

Source: [Noah Wire Services](https://www.noahwire.com)

## 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.ft.com/content/76958f18-b079-4625-a407-476191630d8f> - Reform UK has initiated the acceptance of cryptocurrency donations as part of its broader strategy to integrate digital currencies into public finance. Party chair Zia Yusuf announced plans to enable tax payments in cryptocurrency and establish a sovereign wealth fund composed of crypto assets, aiming to appeal particularly to younger voters. At a cryptocurrency conference, party leader Nigel Farage pledged to reduce capital gains tax on crypto from 24% to 10% and create a national bitcoin reserve, framing himself as a British counterpart to U.S. President Donald Trump’s pro-crypto stance. The party believes these initiatives could raise crypto-related tax revenues from £220 million to £1 billion by encouraging asset inflows and improving compliance. Additionally, Reform UK proposes to cut the foreign aid budget, currently £15 billion, and gradually reduce corporation tax. Yusuf defended the party’s broader fiscal strategy, including significant cuts to net zero spending, estimated to save up to £45 billion, to fund tax reductions such as raising the income tax allowance to £20,000. Prime Minister Keir Starmer has also proposed lower foreign aid spending, though Reform’s calculations on net zero cuts face scrutiny for lack of supporting evidence. Reform's overall proposed budget cuts total £78 billion.
3. <https://www.reuters.com/technology/trump-signs-order-establish-strategic-bitcoin-reserve-white-house-crypto-czar-2025-03-07/> - On Thursday, President Donald Trump signed an executive order to establish a strategic bitcoin reserve, set to be funded with bitcoin forfeited in criminal or civil cases. Announced one day before a White House summit with cryptocurrency industry executives, the reserve will include five digital assets: bitcoin, ether, XRP, solana, and cardano. Market values spiked following the announcement. This initiative aims to store bitcoin as a long-term value reserve, likened to a digital Fort Knox, without selling any of the bitcoin. Trump's support of crypto has sparked concerns of possible conflicts of interest and questions regarding the reserve's taxpayer benefits. The government holds an estimated 200,000 bitcoin, with premature sales having potentially cost $17 billion. Trump's family has also launched cryptocurrency ventures, raising further ethical scrutiny.
4. <https://www.ft.com/content/f77dffef-310b-4d41-8adc-2d114a125ba6> - Nigel Farage has confirmed that discussions are underway with Elon Musk regarding a donation to Farage's Reform UK party. Although UK electoral law prohibits direct donations from foreign nationals, Musk could circumvent this rule by donating through British-incorporated companies he controls, which engage in business in the UK. There's currently no upper limit on how much a company can donate to a political party, although the Electoral Commission has been calling for reforms to restrict such donations to profits made within the UK, citing vulnerabilities in the existing legislation. Musk’s potential financial backing could significantly bolster Reform UK, which hopes to make substantial gains in upcoming local elections and build a powerful ground campaign to transition from a protest entity to a formidable political force. The government, however, seems to be slow in implementing any immediate reforms to address these regulatory gaps.
5. <https://www.civilsociety.co.uk/news/uk-fundraising-platform-becomes-first-to-accept-cryptocurrency.html> - JustGiving has announced it will begin accepting cryptocurrency donations, making it the first UK fundraising platform to do so. Effective this week, donations from over 60 different forms of cryptocurrency will be accepted on the platform, including major cryptocurrency coins like Bitcoin and Ethereum. The London-based JustGiving has partnered with US-based crypto fundraising platform the Giving Block to facilitate the new donation method. According to the Giving Block’s 2024 annual report, there are around 580 million crypto users worldwide, while an estimated £1.5bn in cryptocurrency has been donated to charitable causes. Donations made through crypto assets are not subject to capital gains tax, which is thought to have driven the increase in the volume of donations made in this way. Through the partnership, it will be easier for cryptocurrency donations to be integrated into all UK fundraising pages on JustGiving. Charities will be able to offer cryptocurrency as a giving method directly alongside more traditional methods. Meanwhile, cryptocurrency funds raised on any JustGiving page will be automatically and instantly converted into GBP before being distributed to the charity, ensuring that charities will be able to benefit from the sums in full.
6. <https://www.theguardian.com/world/2024/dec/24/tuesday-briefing-elon-musk-100-million-donation-reform-uk-nigel-farage> - Elon Musk is reportedly considering donating up to $100 million to Nigel Farage's Reform U.K. party, sparking a political stir in the UK. This potential donation, the largest in British political history, has triggered calls to tighten political donation rules. Reform U.K., a right-wing party founded in 2021, seeks to capitalize on social media's power, inspired by Trump, to appeal to disaffected voters. Farage's party previously secured 14% of the vote but aims for significant growth. Critics warn Musk's involvement could influence UK politics, highlighting loopholes that enable foreign intervention via corporate donations. The UK's Electoral Commission urges legal reforms to safeguard political financing integrity.
7. <https://www.theglobaltreasurer.com/2025/03/11/uk-treasury-rejects-us-style-bitcoin-reserve-citing-volatility-concerns/> - The UK Treasury has confirmed that it has "no plans" to follow the United States in establishing a strategic Bitcoin (BTC) reserve, citing the cryptocurrency’s volatility as a key reason for its unsuitability as a national asset. A Treasury spokesperson reiterated the government’s stance, stating, "Bitcoin and other crypto assets have been historically volatile relative to stable fiat currencies like the US dollar and commodities, such as gold. This volatility makes BTC less suitable as a reserve asset for the UK." The UK’s decision comes after the US government under President Donald Trump announced the creation of a strategic Bitcoin reserve last week. The initiative, which also includes a broader cryptocurrency stockpile, aims to hold BTC obtained from civil and criminal forfeitures rather than liquidating them immediately. However, the US’s move has been met with skepticism, with critics arguing that the so-called reserve is more of a stockpile than a true strategic asset.