

24-Hour Deadline Approaching for UK Crypto Tax Filers

UK Crypto investors who've left their taxes to the last minute have less than a day before the HMRC deadline hits. Hope is at hand with tips from Koinly.

LONDON, UNITED KINGDOM, January 30, 2023 /EINPresswire.com/ -- British crypto investors have until midnight on the 31st of January to both report their crypto taxes to [HMRC](#) and pay any tax due - or face the penalties. [Koinly](#), a cryptocurrency tax calculator, shares how investors can report their crypto tax to HMRC at the eleventh hour.



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Danny Talwar

For those who have invested in crypto during the 2021 - 2022 financial year, HMRC wants to know about it, and soon. Tax payers will need to report any gains, losses or income from crypto investments to HMRC as part of their self assessment tax return by the 31st of January 2023.

However, research conducted by Koinly has found that many UK crypto investors find crypto tax rules hard to follow. While HMRC offers extensive guidance, the rules do not always appear directly applicable to some of crypto's more complicated transactions, such as seen in the world of DeFi, yield farming, liquidity pools and staking.

Despite the lack of clarity, in brief, in order to calculate ones crypto taxes, investors need to calculate their cost basis or the fair market value (FMV) of any crypto in GBP on the day they received it; identify each taxable transaction - including disposals of crypto and miscellaneous income from crypto; identify which tax would apply to each taxable transaction (Income Tax or Capital Gains Tax); calculate their capital gains and losses from each disposal of crypto, using HMRC's share pooling cost basis method; and, calculate the FMV of any crypto income in GBP on the day they received it.

It's lots of work for busy investors, especially for those who may have left their tax reporting until the last minute. The use of a professional cryptocurrency accountant, or a cryptocurrency tax tool, can help investors on a tight deadline.

Head of Tax at Koinly, Danny Talwar explains, "With or without help, if time is short the use of a

cryptocurrency tax calculator can shave untold hours off the data gathering process - whilst helping you to assess your taxable income correctly, in accordance with the rules laid down by HMRC.”

“Koinly is a cryptocurrency tax app, offering convenient cryptocurrency income reporting to UK crypto investors online. Whilst it’s important to get professional advice on your tax matters, software like Koinly can save hours tracking your crypto transactions and capital gains”, Talwar adds.

Once Koinly is connected, it then imports an investor’s trading history into the app. Koinly will identify an investors cost basis of each asset. It’ll identify each taxable transaction and calculate ones capital gains and losses using the share pooling method, as well as identify the fair market value, in GBP, of any crypto income on the day one received it.

This services is available on a free plan and results in a summary detailing an investors taxable gains. However to access a detailed report, users need to upgrade to a paid account. From here, they can then download a tax report for a specific tax year which will provide all the necessary detail they need to file with.

Investors can file online using the UK'S Government Gateway Service.

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