Crypto-asset tax reporting (DAC8/CARF)

New obligation to report information on crypto-asset services from 2026

Starting from the tax year 2026, the Estonian Tax and Customs Board (ETCB) will receive more and more information on trading in crypto-assets based on international agreements. Information is collected more widely for tax purposes both from abroad and from Estonia, and international exchange of information is becoming more frequent.

This development is based on the **Crypto-Asset Reporting Framework (CARF)** developed by the OECD. Already 70 countries and jurisdictions have committed to automatically exchange information under this framework. The exchange of information between the Member States of the European Union is carried out by amending the **DAC8 Directive** to bring it into line with the CARF.

What are crypto-assets and crypto-asset services

Crypto-assets are digital representations of a value or right that rely on a cryptographically secured distributed ledger or similar technology to confirm transactions and establish ownership. Crypto-assets can be used, for example, for investment purposes, as a means of payment or for purchasing goods and services online.

A reporting crypto-asset service provider provides crypto-asset services to clients (e.g. depositing, exchanging, providing a platform) or performs exchange transactions on their behalf. As a rule, the service provider submits the data to the ETCB after the respective authorisation has been granted to the service provider.

What information on crypto-assets is collected

As of 2026, reporting crypto-asset service providers in Estonia are required to collect data on the identity of users and their purchases, sales and transfers of crypto-assets. Data are collected on both Estonian and foreign residents.

Service providers must submit **annual data reports** to the ETCB **for the first time in January 2027** (for the data of 2026). Transactions and transfers of crypto-assets by users must be reported annually on an aggregated basis for each crypto-asset.

Estonia transmits the data of foreign users to the tax authority of their country of residence. Similarly, the tax authorities of other countries send Estonia information about Estonian residents that they have received from their country's reporting crypto-asset service providers.

In addition, service providers must provide the ETCB with such information that it is possible to calculate

the capital gains and losses of persons and estates from crypto-asset transactions.

More specific reporting and due diligence requirements are set out in **Annex III to the DAC8 Directive** ("Annex VI – Reporting requirements, due diligence procedures and other rules applicable to reporting crypto-asset service providers"). See the full text of Annex III on **EUR-Lex**.

Obligations of users of crypto-assets

Although the ETCB's access to crypto-asset data is improving, holders of crypto-assets remain obliged to declare their profits and losses and other income from the use or exchange of crypto-assets. It must be submitted in a pre-filled income tax return and users must check that the information in the tax return is correct.

Indicative timetable

- ✓ **31 December 2025** – legislation adopted
- ✓ **1 January 2026** – service providers start collecting user and transaction data
- ✓ **30 June 2027** – first annual report (for 2026 data)
- ✓ **30 September 2027** – first international exchange of information

Frequently asked questions (DAC8/CARF and crypto assets)

1. How is a customer's residence verified (due diligence)?

Service providers must collect and store reliable information, including customers' country of residence, tax identification number and other personal data. Detailed instructions are provided on the basis of international standards (CARF, DAC8) and the technical guidelines of the ETCB.

2. Do service providers also have to provide data on the basis of which capital gains and losses can be calculated?

Yes. Estonian legislation provides that, in addition to the minimum requirements of DAC8 and CARF, information must be provided on the basis of which capital gains and losses can be calculated for both natural persons and estates.

3. What are the sanctions if data is not provided?

If the reporting obligation is not complied with, the ETCB may apply coercive measures and fines arising from the Taxation Act. More detailed information will be published after the entry into force of the Act.

4. What are the technical requirements for reporting the data?

The data shall be reported using the **CARF XML schema user guide** published by the OECD. While the XML schema is primarily designed to facilitate the exchange of CARF information between tax administrators, the same schema can also be used by reporting crypto-asset service providers for national reporting of CARF information. The ETCB provides additional technical guidance on how to submit reports.

Additional information

Council Directive (EU) 2023/2226 of 17 October 2023 (DAC8)

Crypto-Asset Reporting Framework (CARF) – OECD Tax Transparency Resource Centre – OECD

CARF XML Schema and User Guide – OECD

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