



# **BREAK-OUT SESSION E: VAT/GST AND THE CRYPTO ECONOMY**

## **OECD PROJECT FOR THE ANALYSIS OF CRYPTO-ASSETS FOR VAT**

**Sixth meeting of the OECD Global Forum on VAT**

Tuesday 27 January 2026  
Paris, France

Presentation by OECD Secretariat



# Background and purpose

## OECD Project on crypto-assets for VAT:

- Under the auspices of the OECD Committee on Fiscal Affairs' (CFA) Working Party No. 9 on Consumption Taxes (WP9), the OECD has been conducting in-depth analysis of the crypto-asset economy for VAT.
- Research and analysis commenced in February 2023, remains ongoing, and has covered all main elements of the crypto-asset economy and their significance for VAT.

## Rationale:

- Relatively new and increasingly significant area of the economy.
- **Importance of understanding challenges** crypto-assets can present to VAT frameworks.
- Supports international discussions on **appropriate responses for jurisdictions to consider** for VAT policy and administration.



# Work to date on project

- **Work to date:** As at January 2026, OECD Secretariat has produced **ten working papers** on different key elements of the topic:
  - **Key concepts and terms** in the crypto-asset economy.
  - **Global overview** and analysis of the VAT treatment of **supplies of crypto-assets**.
  - **Global overview** and analysis for supplies of **connected services**, e.g. mining/staking.
  - **Development of OECD evaluation framework for VAT analysis of crypto-assets**.
  - **Case studies** of prominent products that present classification challenges.
- **Consultation with key stakeholders:** Governments, academics (notably Professor Hellerstein), small, dedicated business team of experts closely involved in crypto-asset economy.

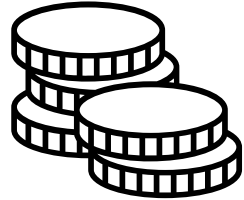


# Development of draft evaluation framework for VAT analysis of crypto-assets

- **The OECD has been developing an evaluation framework** for the analysis of crypto-assets for VAT. Focus upon **definitions and classification** for VAT purposes.
- Based upon view of OECD countries that **achievement of VAT neutrality** in the treatment of crypto-assets is a **high priority**.
  - **Most significant challenge** is understanding nature of main categories and how to **classify** products within them. Once equipped with right tools, countries are confident in applying *International VAT/GST Guidelines* and **core VAT principles**.
- Purpose of evaluation framework is thus **not to explicitly recommend** VAT treatments **but support jurisdictions in determining** treatments that achieve neutrality within their own VAT frameworks. Involves (i) defining the main categories of crypto-asset for VAT, then (ii) establishing tests and criteria as guidance for jurisdictions on how to classify a crypto-asset product within main categories.
- **Scope primarily financial crypto-assets**, i.e. **payment tokens** (i.e. virtual currencies) and **security tokens**. **Overwhelming share** of crypto-asset economy in **market value**.



# Simplified illustration of evaluation framework for payment tokens



**Working description for VAT**

Effectively a crypto-asset with the same purposes as fiat currency, without material additional purposes.

**Principles-based tests**

**Key questions and tests based around core principles embedded in working description:**

**Test 1:** *Do the counterparties to a transaction both accept the token as a means of payment?*

**Test 2:** *Does the token possess any material additional purpose other than as a means of payment?*

**Flexibility versus potential subjectivity**

**Complementary**

**Typical indicators**

**Provide more specific criteria and metrics:**

**Core:**

- *Fungible*
- *Functions as means of payment*
- *Acquirable without major restrictions*

**Additional, discretionary:**

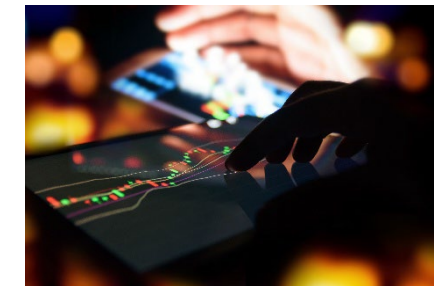
- *Not legal tender*
- *Value not derived from another asset*
- *No entitlement to good and services*
- *Not a financial security*

**Greater certainty, less flexibility**

**Implications for VAT policy**



# Simplified illustration of evaluation framework for security tokens



**Working description for VAT**  
Effectively a crypto-asset with main purposes substantially the same as a financial security

**Principles-based tests**

**Complementary**

**Typical indicators**

**Key questions and tests based around core principles embedded in working description:**

**Test 1:** *Right to, or a reasonable expectation of, income arising from ownership of the token?*

**Test 2:** *Contractual right to reimbursement of capital or, alternatively, proportionate rights of ownership in the entity that issues the token?*

**Test 3:** *Does the token serve any material non-financial purpose?*

**Flexibility versus potential subjectivity**

**Provide more specific criteria and metrics:**

For security tokens, two sets of typical indicators to reflect the two broad asset classes into which financial services industry classifies financial securities:

- **Equities** (e.g. right to share of dividends, net assets upon liquidation, vote, subscribe)
- **Debt securities** (e.g. right to interest income, repayment of outstanding principal on the nominal/face value of security)

**Greater certainty, less flexibility**

**Implications for VAT policy**



# Utilising draft evaluation framework to determine VAT policy

- **Once jurisdictions define main categories** of crypto-asset for VAT and **classify products** based upon clear tests and criteria, *International VAT/GST Guidelines* provide **overarching principles** to determine policy approaches. Notably the **principles of VAT neutrality** (Guidelines 2.1 to 2.6), in particular:
  - **Guideline 2.2:** Businesses in similar situations carrying out similar transactions should be subject to similar levels of taxation.
  - **Guideline 2.3:** VAT rules should be framed in such a way that they are not the primary influence on business decisions.
- **Ultimately for jurisdictions to determine** what VAT neutrality looks like in context of own VAT framework, e.g. exact VAT treatment of fiat currency can differ between jurisdictions.
- **The *International VAT/GST Guidelines* also contain recommendations on determining the place of taxation** for international supplies of services and intangibles. These recommendations apply to international supplies of the vast majority of crypto-assets.
- **Challenging types of crypto-asset products for jurisdictions to be aware of:** **Stablecoins**, **in-game tokens**, **memecoins** and **governance tokens**.



# Contact details



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