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The Coincub Global Crypto Ranking

Jon Lea

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We rank the countries and tax havens with the lowest, highest, and best crypto tax environments - worldwide!

Looking for the locations with the most advantageous tax rates on your crypto earnings? When it comes to taxation, much depends on any prevailing government's outlook towards cryptocurrency. This, in turn, guides its overall policies toward the use, regulation, and taxation of cryptocurrency.

Of course, it always helps to have excellent tax advice because wherever you live or choose to move to, any gains you make can be a moveable feast – especially when it comes to crypto earnings. This is because crypto taxation is subject to a myriad of considerations such as (... take a deep breath) thresholds of earnings, the types of crypto coin traded, the way you make profits from them, i.e. whether you lend them out, hold them or trade them.

Also in the mix is the length of time you hold your cryptocurrency. Even more confusingly, there are many definitions as to what cryptocurrency is - whether it's seen as property, currency, or an asset, that sort of thing. Oh yes, and we haven't even got to overseas earnings and rules for non-doms yet. But you get the idea.

So, when you read headlines about which country has a 0% tax on crypto or hear stories about how the average street cleaner is making millions with his bitcoins in Belarus, very often these headlines only tell one small part of the taxation story.

Coincub, the crypto ranking site, takes the widest possible view of cryptocurrency adoption worldwide, ranking countries on a whole spread of data and information, from numbers of blockchain courses, nodes, and trading volumes to government policy, regulation, fraud, and tax – to name but a few.

Top five countries with the best crypto tax for residents

Overall, tax havens traditionally offer highly attractive tax concessions to attract businesses and overseas investors. This list takes those countries which aren't purely out to attract overseas investors but have decided to adopt a policy of low or generous tax rates on crypto investment for its domestic population. Often, as in the case of Hungary, for example, this is seen as a positive way to boost the tax take for the government - and a more constructive way to limit tax avoidance while trying to foster innovation and crypto adoption.

Germany

WORLD RANK	1
SCORE	9.8/10

№1 Germany

Germany has a surprisingly progressive outlook on crypto tax. Overall it has embraced the crypto tax situation and formalized it more than most leading countries. Having a very generous no tax on gains if your crypto is kept for over a year, seems to be perfectly in keeping with a country whose population has a long tradition of saving as opposed to spending. This tax-efficient incentive rewards its own citizens and not just non-doms and overseas investors as is the norm in so many tax havens. This, and the fact that Bitcoin can be held in traditional savings accounts in Germany, is what keeps it on our list of low crypto taxation economies.

Italy

WORLD RANK 31

SCORE 5.8/10

№2 Italy

Italy relies on a multitude of definitions of cryptocurrency. There are also newly derived taxation policies aimed at attracting high-net-worth individuals. The result is a complex and ever-developing tax system. Gains sourced in Italy are taxable as income, with an exemption from tax on crypto asset gains that do not exceed a whopping €51,000, whilst foreign income and gains can be sheltered from Italian tax. Do you need specialist tax advice? Absolutely.

Switzerland

WORLD RANK 5

SCORE 8/10

№3 Switzerland

The land of money and secrecy loves a bit of crypto. Taxation varies from canton to canton. Overall capital gains for individuals investing in crypto are tax exempt and the country also has a generous income allowance which can be up to around 18,000 US dollars (enough to buy you a cup of coffee and a crepe in Geneva) before tax kicks in. Much depends on exactly where you live.

Singapore

WORLD RANK 3

SCORE 8.6/10

№4 Singapore

Singapore led our Q4 quarterly rankings of the world's friendliest crypto countries in 2021 thanks to the strength of its all-around crypto economy. However, purely on tax terms, it is a highly desirable place to trade and invest in cryptocurrency with low taxes on high earners - as little as 22% and no capital gains tax on crypto earnings.

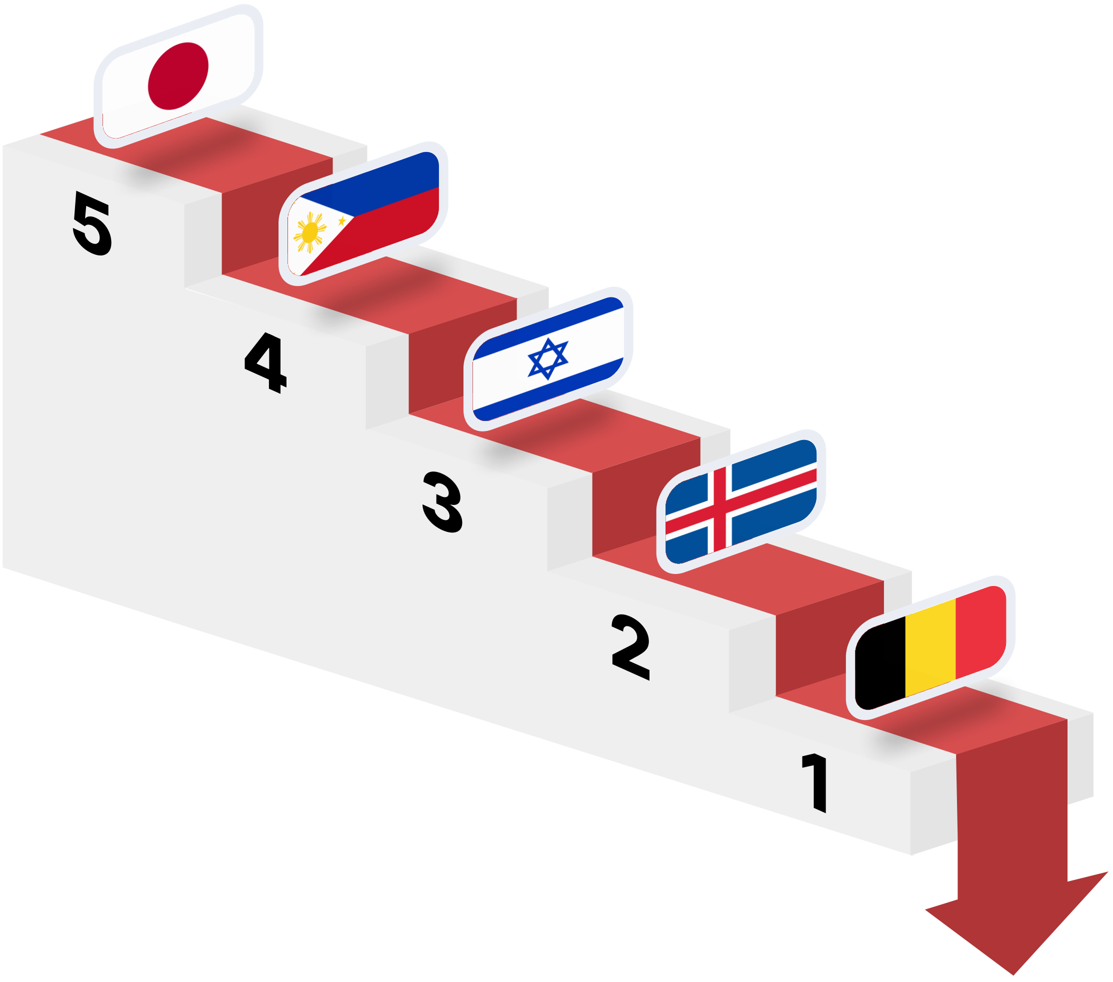
Slovenia

WORLD RANK 27

SCORE 6/10

№5 Slovenia

Slovenia is a busy hotbed of crypto and blockchain technology adoption with a loosely regulated approach to the taxation of cryptocurrencies. Slovenia levies no capital gains tax on individuals when they sell bitcoin. Also, crypto gains are not considered to be income. Enterprises have a tougher time, however, and are required to pay tax on crypto at the corporate rate. Things may change as the country seeks to reappraise its tax law.



The worst countries for crypto taxation for residents

Cryptocurrency divides opinions, in tax havens it is seen as just another means to attract overseas investors, in traditional tax-based economies it's seen as yet another way to increase the tax take. So when it comes to crypto being used as an investment or means of income, any tax situation tends to follow a country's natural characteristics. Not surprisingly, there are some familiar faces to be found here.

Belgium

WORLD RANK 47

SCORE ★ 4/10

№1 Belgium

Capital gains on speculative transactions of crypto assets are subject to tax, when gains are realized, it's going to get slapped with a 33% tax. Crypto gains transactions that are regarded as professional income comes under progressive taxation rates up to 50%.

Iceland

WORLD RANK 53

SCORE ★ 2.6/10

№2 Iceland

There's not much in the way of concessions for crypto traders here. Progressive tax rates apply for earnings that kick in quite early. Any crypto gains up to $7k will incur just under 40% tax, whilst anything over goes up to 46%. Phew.

Israel

WORLD RANK 22

SCORE ★ 6.2/10

№3 Israel

Israel confers none of the usual exemptions to cryptocurrency gains that apply to normal currency gains. So the sale of a cryptocurrency is generally subject to a capital gains tax of up to 33%. If the crypto investing activity is deemed to be on a business basis, income tax is applicable up to some 50%.

The Philippines

WORLD RANK 36

SCORE ★ 5.2/10

№4 The Philippines

No tax on any income under $4.500 dollars but after that any income (including your crypto gains) will be taxed at an increasing incremental scale which can go up to 35%. Of more concern for crypto investors are impending moves in the Phillippines to follow India's lead and impose a transaction tax along with a flat rate tax - this, as we write, is in hot discussion.

Japan

WORLD RANK 11

SCORE ★ 7.4/10

№5 Japan

Japan has no special treatment of crypto - except that they tax it quite heavily. A small allowance of around $1500 per year is tax-free but after that tax kicks in on a sliding scale from 5% up to a maximum of 45%.

Crypto tax haven or crypto low tax economy?

For our crypto tax rankings, we have made a distinction between classic 'tax-havens' such as Lichtenstein and Bahamas, and traditional tax-based economies such as Germany or Hungary which have favorable crypto tax rates.

Traditional tax havens aren't full-blown economies as such, they are not competing with mainstream economies in terms of economic power - although they draw their investors from such locations. Tax havens tend to be small in physical size but with inordinately generous and incentivizing tax advantages overall for investors and businesses which locate in them but generate income from overseas. Broadly speaking, where traditional taxed-based mainstream economies encompass low crypto tax advantages, they are offered to residents and citizens rather than purely outsiders.

The best 'tax havens' for crypto investors - worldwide

1. The Bahamas

The attraction of Bahamas has long been recognized as a tax haven with extremely favorable concessions to overseas companies and individuals alike. Tax-friendly laws for foreign investors generally also extend to taxes on cryptocurrency. Citizens and resident aliens pay no taxes on personal income or capital gains. Unlike most countries around the world, the Bahamas government seems to make enough income on value-added tax and property stamp duties to fill its coffers. The Bahamas has long been an important location for overseas financial institutions, thanks to highly attractive tax concessions and because of its reputation for stability. With this in mind, it is hard to see anything like a harsh taxation treatment of crypto earnings likely to appear.

2. Bermuda

In keeping with a growing number of countries, Bermuda accepts payments for conventional taxes, fees, and associated government services using USD Coin (USDC). For the general crypto investor, at present, Bermuda doesn't impose income, capital gains, or withholding tax on digital assets or on transactions involving digital assets.

3. Belarus

Has surged ahead with crypto adoption following its decision some years back to exempt individuals and businesses dealing in cryptocurrency from taxes right up to 2023. What will happen then is anybody's guess. Mining and investing in cryptocurrencies are declared as personal investments, and exempt from income tax and capital gains in an effort to boost the digital economy. As the 2023 deadline approaches, it's hard to see things staying the same but for the next three or four months at least, your crypto gains will be untaxed.

4. United Arab Emirates

Zero tax overall is a hard act to follow, and, like the Bahamas above, zero tax would appear to go for crypto gains too. The UAE currently has no system of federal income taxation, relying instead on each of its individual emirates having their own corporate income tax decrees. There are also designated free zones in the UAE where any entity operating within them is not considered to be 'onshore' as such, and thus only subject to the rules and regulations of that free zone. Benefits of a free zone include tax exemptions or 0% tax rates over given periods of time. For the individual or casual crypto investor, it does look like you'll be able to indulge all your crypto gains...or losses – tax-free. Despite its slow start and suspicion of bitcoin going back to the early days of crypto, the UAE now wholeheartedly embraces the whole crypto and blockchain community with the aim of turning itself into the region's foremost crypto/financial hub. If that impetus is maintained its unlikely to see cryptocurrency transactions be subject to direct tax or withholding tax any time soon.

5. The Central African Republic

The Central African Republic has adopted bitcoin as legal tender – that doesn't mean all citizens are falling over themselves to use it by the way - and like with El Salvador, we watch to see the outcome. The country's president is a huge advocate of all things crypto and hopes to build the Republic into a leading crypto hub. The Central African Republic has also announced the creation of Sango Coin, a cryptocurrency with a host of additional benefits attached to it. Turning the CAR into a crypto-economic zone to attract businesses and global crypto enthusiasts is the wider plan. The CAR may become another one of those countries that offer very favorable tax concessions to overseas investors as a means of boosting its economy. Tax as far as we can see doesn't apply to crypto gains, but perversely the country has pretty stiff penalties for conventional tax evasion. Sango anyone?

6. Lichtenstein

As one of the oldest and most famous low taxation financial havens, crypto gains not surprisingly have an easy time with crypto tax covered in its general taxation rules for worldwide income. This means a 12.5% flat-rate tax for overseas income and tax exemption for enterprises based permanently in the state. Consumer protection money laundering laws are well-defined.

7. Malta

Whenever it comes to tax, money, and bitcoins, Malta always crops up. The country has a complicated tax system for high-rolling crypto traders, making it a haven for tax advisors. The sunny "Blockchain Island" doesn't apply capital gains tax to long-held digital currencies like bitcoin. However, crypto trading is on par with share trading and is liable to a business income tax of 35%. However, this can be mitigated through structuring options, making it a draw for professional investors who find ways to 'mitigate' (that means 'reduce' by the way) the rather unwieldy 35% down to something much more affordable – like say...say 5% or even nothing. Malta distinguishes between bitcoin and those financial tokens that are equivalent to dividends or interest, in which case these are treated as income and taxed accordingly. It goes on our list, but you'll need some clear tax advice.

8. Malaysia

In our cunningly perceptive way, we have ascertained that nearly all the countries with the lowest taxes are hot countries. Yet another is Malaysia. Crypto tax policy has not been specifically formulated but crypto gains are taxed as per general income but once again, much depends on the definition of types of trading. Malaysia doesn't tax capital gains on crypto, but frequent trading is considered to be a profession. Cryptocurrency transactions are currently tax-free and cryptocurrencies generally do not incur capital gains tax. Okay? However, profits from active (you're doing it for a living) crypto trading may be regarded as revenue, and thus considered taxable income. So, just to hammer it home. If the transaction is more of a capital gain or done casually, then any profit is untaxed – if your business is involved in cryptocurrency you'll fall under Malaysian income tax laws.

9. Gibraltar

Once again, specific tax regulation is hard to ascertain with much, as we pointed out in our introduction, being in the realm of definitions and types of transactions but whilst tax is charged on income overall – of which crypto gains will be included – there is no capital gains tax which offers some alleviation from tax liability will arise. If a transaction is defined as capital gains rather than a trade, no tax liability will arise.

10. Taiwan

There is tax to pay, but huge incentives not to pay much at all. Taiwan is another country with no capital gains tax on crypto earnings. It also has a huge NT$6.7 million tax-free allowance per year and a flat rate of 20% tax rate on overseas income.

11. El Salvador

As a foreign investor in El Salvador – and obviously to attract you there - it was officially stated by El Salvador's President that any profits you accrue from bitcoin will not be taxed – that's no tax on either your crypto's capital increase or on the income from it. Yippee, book that flight now! Will it last? Will you go there? Who knows?

12. Panama

Overseas companies and individuals can pay little or no tax on income and business and there is zero capital gains tax on cryptocurrency. The country is, however, attempting to introduce crypto into the mainstream of daily life whilst not declaring it as legal tender.

Overall ranking score table cathegories

Country	Rank	Stars	Total Score	Income tax	Capital gains tax	Commercial tax	Other tax considerations*
Bahamas	1	4.4	15	-3	5	-3	4
Bermuda	2	4.4	15	-1	0	0	2
Belarus	3	4.4	15	-7	0	-3	-5
UAE	4	3.9	10	5	5	5	0
CAR	5	3.9	10	5	5	5	0
Lichtenstein	6	3.7	8	5	5	5	0
Germany	7	3.6	7	1	-5	0	12
Malta	8	3.6	7	-4	-4	-12	0
Malaysia	9	3.6	7	-4	-4	0	0
Gibraltar	10	3.3	5	5	5	0	0
Taiwan	11	3.3	5	0	0	0	0
El Salvador	12	3.2	4	-9	0	-2	20
Italy	13	3.2	4	-2	0	0	0
Panama	14	3.2	4	-6	0	-3	0
Switzerland	15	3.2	4	4	0	0	0
Singapore	16	3.1	3	-2	0	-2	0
Slovenia	17	3.1	3	-1	0	0	0
South Korea	18	3.1	3	2	0	-5	-5
Thailand	19	3.1	3	-2	5	-2	12
Brazil	20	3.0	2	2	-2	0	0
Argentina	21	2.9	1	2	5	-2	0
Hong Kong	22	2.9	1	-2	5	-2	0
Australia	23	2.8	0	-2	0	0	0
China	24	2.8	0	0	0	0	0
Greece	25	2.8	0	-3	0	-3	-3
Netherlands	26	2.8	0	-1	1	-4	4
Pakistan	27	2.8	0	-5	-3	-8	0
Cyprus	28	2.7	-1	2	0	-3	10

Country	Rank	Stars	Total Score	Income tax	Capital gains tax	Commercial tax	Other tax considerations*
Finland	29	★ 2.7	-1	-15	0	0	0
Romania	30	★ 2.7	-1	0	0	-2	0
Uzbekistan	31	★ 2.7	-1	5	5	-2	0
Cuba	32	★ 2.6	-2	-4	5	0	7
Hungary	33	★ 2.6	-2	3	5	-3	4
Ireland	34	★ 2.6	-2	-1	0	-3	2
Kazakstan	35	★ 2.6	-2	-1	1	0	0
Portugal	36	★ 2.6	-2	-2	0	-3	2
Ukraine	37	★ 2.6	-2	-10	-1	0	10
Vietnam	38	★ 2.6	-2	-3	-4	-3	0
Mexico	39	★ 2.4	-3	0	5	-2	2
Estonia	40	★ 2.3	-4	0	0	0	0
New Zealand	41	★ 2.3	-4	-2	-7	-3	0
Russia	42	★ 2.3	-4	-6	0	-2	0
Turkey	43	★ 2.3	-4	5	0	-7	0
South Africa	44	★ 2.2	-5	3	-2	-2	0
Nigeria	45	★ 2.1	-6	-2	0	-2	0
Sweden	46	★ 2.1	-6	-2	5	0	0
UK	47	★ 2.0	-7	4	0	-2	2
Canada	48	★ 1.9	-8	-1	-2	-3	2
France	49	★ 1.9	-8	3	0	0	0
Poland	50	★ 1.9	-8	-5	0	-3	0
Spain	51	★ 1.9	-8	-3	0	-3	0
Denmark	52	★ 1.8	-9	0	0	-1	10
India	53	★ 1.7	-10	0	5	0	0
Norway	54	★ 1.7	-10	-2	5	0	0
Philippines	55	★ 1.4	-12	-2	0	-2	0
United States	56	★ 1.4	-12	5	5	0	0
Austria	57	★ 1.1	-15	-1	0	-1	0
Japan	58	★ 1.1	-15	3	-8	-2	0
Israel	59	★ 1.0	-16	-10	-2	0	0
Iceland	60	★ 0.8	-18	-1	0	0	0
Belgium	61	★ 0.6	-20	-1	0	-1	0

* Other tax considerations include tax relief on crypto related pensions, tax relief on crypto related investments, transaction charges per state and special crypto taxation incentives

Methodology

The Coincub crypto country rankings cover a number of categories each of which we constantly re-evaluate and expand over time to ensure that they give an accurate and useful account of the cryptocurrency and blockchain situation within each country.

One of the most important categories - and certainly the most valuable in what it tells us about any country's attitude toward cryptocurrency - is taxation. Taxation is often a moveable feast with changes in regulations occurring regularly, it is also complex.

Our taxation methodology consists simply of awarding and then subtracting points for each country to gain an overall view of its tax situation. Large negative scores reflect high tax countries and large positive scores reflect the least taxed countries - such as the Bahamas and Barbados, etc.

In our tax ranking, we award positive scores of 5 points for any aspect of crypto income that is free from tax - such as zero tax on crypto income gains, or zero tax on crypto capital gains.

We also award 5 points for income tax allowance or a capital gains tax allowance. Let's say crypto income gains only incur tax after a threshold of $10,000. That earns 5 points. Each time income is taxed in a successive band after the $10,000, a -1 score is added, which begins to bring the overall score down from 5.

We broadly apply this scoring system to income tax and capital gains tax for individuals and also to businesses that deal in crypto. Across our tax sub-sections, we simply tot up the numbers, to give us our tax ranking score.

Points we consider

Tax havens offer far more generous tax concessions than traditional tax economies, so we try not to directly compare them

Many countries separate casual crypto investors from regular investors - but the difference between the two is often a grey area, requiring tax advice.

There are increasingly a number of countries that apply flat tax rates on gains for individuals - all with the aim of simplifying tax take.

Most countries simply lump crypto tax gains into income tax reporting requirements - some simply define all gains as capital gains but not as income - so do both. Either way, tax has to be paid so the overall effect is the same and results in a low score.

Currently, we pay no attention to the potential offsetting of tax through losses and expenses of investing. And we pay no attention to the complexities of withholding taxes. These are considerations very much dependent on individual circumstances.

Many countries have lax or confused taxation laws. Going forward we expect to see tax situations becoming more simplified and coherent, perhaps with much more use of flat rates.