

# NEWSLETTER

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## Crypto Income Activity Codes

In Portugal, crypto income other than capital gains and interest is classified as professional income. To declare this on a personal level, you must register under a **Category B activity (Recibos Verdes)**. However, a significant issue arose:

The Portuguese tax authorities have yet to assign specific activity codes for crypto-related professions. This left many taxpayers facing challenges, including audits, when they declared crypto income without a clearly defined activity code.

### 2024: A Year of Lessons in Crypto Tax Filing

Hello everyone, it's Thomas, your tax expert from Crypto & Taxes Portugal. As 2024 draws to a close, what a year it has been! This was the first year that Portugal required taxpayers to report crypto income on their IRS filings for the 2023 tax year.

The main focus of this newsletter is what **we've learned from the practical experience of filing crypto income taxes in Portugal**. Let's dive into the key insights and updates.

## The Audit Experience

Some clients were audited (Divergência) after reporting crypto activity income. They were required to provide screenshots of their transactions within 15 business days. However, the authorities didn't specify which screenshots were necessary, leading to uncertainty.

To address this, we adopted a strategy of drafting a detailed, guided letter for each client. These letters outlined exactly what was reported and clarified any discrepancies. After some back-and-forth communication, the authorities accepted the tax declarations without further scrutiny of the provided screenshots.

## Tips for Ending 2024 on the Right Note

As the year ends, here are a few tips to ensure prepared for your 2024 tax obligations:

### 1. Create an Overview of Taxable Transactions.

Identify taxable crypto transactions, including:

- Crypto sold for fiat currency.
- Purchases made using crypto debit cards.
- Goods or services bought using crypto.

### 2. Use Crypto Tax Software

Many crypto tax tools offer free features to consolidate cross-chain data. Use these tools to easily filter crypto-to-fiat transactions and track the purchase dates and values of sold crypto.

### 3. Review Your e-Fatura

Check your tax deductions through e-Fatura at [this link](#).

Learn more about e-Fatura in our detailed guide [here](#).

Remember, the deadline to confirm e-Fatura is usually the end of February.



The 2024 IRS has to be declared between April and June 2025. Let's continue to navigate the evolving world of crypto taxes together. If you have any questions or need further assistance, feel free to reach out!