



KPMG AEOI Updates & Tracking Service CARF Alert

Date:	25 November 2025	Alert Type:	Document
Country:	United Kingdom	Regime:	CARF
Document Type:	Guidance		

United Kingdom: Issued Guidance on CARF Penalties

On 05 November 2025, His Majesty's Revenue and Customs (HMRC) of the United Kingdom updated its International Exchange of Information Manual (IEIM) to include Guidance on the Crypto-Asset Reporting Framework (CARF), in line with the Reporting Crypto-Asset Service Providers (RCASPs) (Due Diligence and Reporting Requirements) Regulations 2025 (found [here](#)).

The CARF Guidance outlines several penalties that apply when an RCASP or a self-certification provider fails to meet their obligations under CARF, including:

— Failure to Apply Due Diligence Procedures:

An RCASP is liable if it:

- Fails to apply the required due diligence procedures, incurring a penalty of up to £100 for each reportable crypto asset user or reportable controlling person; or
- Fails to obtain a valid self-certification, incurring a penalty of up to £300 for each reportable crypto asset user or reportable controlling person.

— Failure to Comply with Record-Keeping Obligations:

An RCASP that fails to comply with record-keeping obligations is liable for a penalty of up to £5,000 for each calendar year the non-compliance continues.

— Failure to Provide a Valid Self-Certification:

United Kingdom Contacts:



Peter Grant

Partner

Peter.Grant@KPMG.co.uk



Rohini Sanghani

Partner

Rohini.Sanghani@KPMG.co.uk

A penalty of up to £300 may be imposed on the self-certification provider if the failure is deliberate or results from a lack of reasonable care.

— **Late Submission of Reports:**

An RCASP that submits CARF reports late is liable for a penalty of up to £5,000. If the delay continues after assessment, an additional penalty of up to £600 per day may be imposed for each day the failure continues.

— **Submission of Inaccurate or Incomplete Reports:**

A penalty of up to £100 for each reportable crypto asset user or reportable controlling person may be imposed if a report is inaccurate or incomplete. This applies when the inaccuracy or incompleteness is deliberate, results from a failure to take reasonable care, or is later identified but not reported to HMRC.

— **Failure to Notify Reportable Crypto Asset Users or Reportable Controlling Persons:**

An RCASP that fails to inform reportable crypto asset users or reportable controlling persons that their information will be reported to HMRC and may be shared with partner jurisdictions under CARF is liable for a penalty of up to £100 for each affected individual. If the failure continues, an additional penalty of up to £100 per day may be imposed for each day the failure continues.

— **Failure to Provide Information to HMRC:**

A penalty of up to £5,000 may be imposed if an RCASP fails to provide information required by HMRC under a notice issued pursuant to Regulation 9. If the failure continues, an additional penalty of up to £600 per day may be imposed for each day the failure continues.

— **Failure to Register with HMRC:**

A penalty of up to £1,000 may be imposed if an RCASP fails to register with HMRC. If the failure continues, an additional penalty of up to £300 per day may be imposed for each day the failure continues.

Reference: [Guidance on CARF Penalties](#).

For information on KPMG's global AEOI network professionals, please email [GO-FM AEOI Program Support](#).

For more information on KPMG AEOI Updates & Tracking Service, please see [here](#).

For additional summaries of the latest AEOI developments, please visit KPMG's TaxNewsFlash-FATCA/IGA/CRS Insights page, [here](#).

Contact us



Laurie Hatten-Boyd
Principal
T: +1 206 213 4001
E: lhattenboyd@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us: [in](#) [kpmg.com](#)



Kelli Wooten
Principal
T: +1 404 739 5888
E: kwooten@KPMG.com

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS010555-1A

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.