Machine Translated by Google
RCMOS - Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

Taxation of cryptocurrency transactions by individuals in Brazil: fiscal, regulatory, and practical challenges.

Taxation of cryptocurrency transactions by people in Brazil: Fiscal, Regulatory and Practical Challenges

Imposition of cryptocurrency transactions by physical persons in Brazil: fiscal, regulatory and practical challenges

John Baptist Junior Durans
Vinicius da Silva Neves
Vera Mônica Queiroz Fernandes Aguiar

ABSTRACT

This article addresses the growth of cryptocurrencies in the global economic landscape, which has led to significant transformations in how financial assets are used, traded, and regulated. In this context, this study analyzes the fiscal, regulatory, and practical challenges related to the taxation of cryptocurrency transactions in Brazil, with an emphasis on tax incidence and the effectiveness of current regulations. The research begins with the problem of how the Brazilian legal system addresses the taxation of these transactions, given the absence of specific legislation and the predominance of administrative regulations issued by the Federal Revenue Service to guide the declaration and monitoring of crypto-assets. The justification for the study is based on the social, legal, and scientific relevance of the topic, considering the exponential growth of the digital asset market and the risks associated with tax evasion and legal uncertainty arising from the lack of more detailed regulation. Methodologically, the research is qualitative and exploratory in nature, adopting a dialectical approach based on doctrinal, normative, and jurisprudential analysis. Legislation, guidelines from the Federal Revenue Service, as well as decisions from the Administrative Council of Tax Appeals (CARF) and higher courts were examined in order to understand how constitutional tax principles apply to the taxation of crypto-assets. As a result, it was found that, although administrative mechanisms exist to regulate these operations, regulatory gaps and practical difficulties persist, requiring normative improvement to ensure greater legal certainty and effectiveness in tax collection within the context of the digital economy.

Keywords: Cryptocurrencies; Taxation in Brazil; Individuals; Lack of Regulation.

ABSTRACT The

growth of cryptocurrencies in the global economic landscape has brought significant transformations in the way financial assets are used, traded, and regulated. In this context, the present study analyzes the fiscal, regulatory, and practical challenges related to the taxation of cryptocurrency transactions by individuals in Brazil, with an emphasis on the incidence of Income Tax and the effectiveness of the current legal framework. The research addresses how the Brazilian legal system taxes such operations, given the absence of specific legislation and the predominance of administrative rules issued by the Federal Revenue Service that guide the declaration and monitoring of cryptoassets. The justification for the study is grounded in the social, legal, and scientific relevance of the topic, given the exponential growth of the digital asset market and the risks of tax evasion and legal uncertainty stemming from a lack of detailed regulation.

Methodologically, the research is qualitative and exploratory, adopting a dialectical approach grounded in doctrinal, normative, and jurisprudential analysis. Laws, guidelines issued by the Brazilian Federal Revenue Service, and decisions of the Administrative Council of Tax Appeals (CARF) and higher courts were examined to understand how constitutional tax principles apply to the taxation of cryptoassets. The results indicate that although administrative mechanisms exist to

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

regulate these operations, regulatory gaps and practical difficulties persist, highlighting the need for normative improvements to ensure greater legal certainty and effectiveness in tax collection in the digital economy.

Keywords: Cryptocurrencies; Taxation in Brazil; Individuals; Lack of regulation.

1 INTRODUCTION

The growth of cryptocurrencies in the global financial landscape has become one of the...
Key phenomena of the digital economy. Assets like Bitcoin and Ethereum have ceased to be...
mere instruments of speculation to consolidate themselves as investment options, reserve
of value and even alternative means of payment. However, in Brazil, these assets do not
They are recognized as legal tender, which qualifies them as assets or rights.
assets that can appreciate in value and be sold with taxable capital gains. This absence of
Formal tax classification makes taxation even more complex, especially for individuals.
physical. As Amaral points out.
(2021, p. 78), “The lack of specific legislation compromises legal certainty and
It weakens the effectiveness of the tax system. In this context, the existence of clear and well-defined rules is essential.
Clearly defined boundaries contribute not only to the correct application of taxes, but also to...
building trust among economic agents, strengthening the effectiveness and legitimacy of the tax system.
as a whole.

The enactment of Law No. 14,478/2022, known as the Legal Framework for Cryptocurrencies,
It represented an important regulatory milestone by establishing safety and security guidelines.
prevention of illegal activities, such as money laundering and concealment of assets. However, the law
It did not provide detailed regulations for the taxation of transactions, which remains in effect.
existing regulatory instruments, such as Normative Instruction RFB No. 1,888/2019, which
It requires taxpayers to declare their transactions to the Internal Revenue Service. Even so, the effectiveness...
This control is limited, given the decentralization of transactions on the blockchain. According to
Bittencourt (2022, p. 135) argues that the decentralized structure increases the risks of tax evasion.
making state monitoring a constant challenge. It is clear that tax evasion in
Brazil's situation is, in part, related to a lack of adequate technologies and skilled labor.
qualified for the oversight and regulation of operations involving digital assets.
The current tax treatment covers purchase, sale, exchange, donation and other transactions.
Cryptocurrency transfer. According to current legislation, capital gains
income from asset sales transactions where the total monthly amount exceeds the limit of R$
35,000.00 is subject to Income Tax and is taxed according to the

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

Specific tax rates apply to these gains. The problem, however, lies in the volatility.
These assets can experience significant price fluctuations in short periods. How
As Tavares Torres (2022) points out, the volatility of cryptocurrencies requires clear parameters of
pricing, without which the calculation of capital gains becomes uncertain for both the
both the taxpayer and the tax authorities.
This lack of standardized regulations creates additional risks, including tax evasion.
Tax evasion and the use of crypto assets in illicit practices. The phenomenon is amplified.
due to the difficulty of tracking transactions carried out on foreign exchanges or through
Anonymous digital wallets. According to Paulsen (2021), the principle of ability to pay,
present in the Federal Constitution, it should guide the taxation of these assets, but its application
The practice faces technological and regulatory barriers. The relevance of the principle of [missing word] is noted.
ability to pay as a fundamental guideline for the taxation of digital assets, in
in accordance with the constitutional principles of fiscal justice.
The digital economy poses new challenges to the tax system, requiring legislation to adapt.
Keep up with technological advancements without compromising revenue. For Souza (2021, p.
167), “technological innovation has been challenging traditional revenue collection models,
"requiring urgent legislative updates." Countries such as the United States, Japan, and
European Union members have adopted specific tax regulation measures.
seeking to balance fiscal fairness and incentives for innovation. In Brazil, however, the absence of
A specific law creates a regulatory vacuum that undermines equality among taxpayers.
Another key point is the lack of international harmonization.
As Pohlmann (2023) observes, the lack of global standardization of taxation of
Cryptoassets hinder not only cooperation between countries, but also legal security.
of the operations carried out by investors operating in multiple jurisdictions. It is observed that
This lack of standardization compromises the effectiveness of cooperation between tax jurisdictions.
hindering the exchange of information and the fight against practices such as tax evasion and avoidance.
Tax authorities. Tax justice is another central point of the debate. According to Schoueri (2021,
(p. 93), “taxation is only fair when it covers all forms of wealth in an equitable manner,
which includes digital assets.” In this sense, the lack of regulatory clarity creates inequalities,
because some taxpayers manage to hide their earnings, while others comply
strictly enforce their tax obligations. This imbalance harms not only the
Revenue collection, but also trust in the legal system.
From a practical standpoint, the Internal Revenue Service faces difficulties in monitoring operations.
decentralized. Gallo (2022, p. 201) “emphasizes that the absence of tracking mechanisms

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

"Ineffectiveness compromises oversight and reduces the effectiveness of the fight against tax evasion."

In this scenario, it is observed that technological limitations not only reduce the efficiency of tax collection, but it also compromises the fairness of the system.

The establishment of specific legislation aimed at taxing cryptocurrencies has potential. to increase tax revenue without harming the development of the crypto market in Brazil. Furthermore, by establishing clearer and more systematic rules, it would contribute to greater regulatory predictability, encouraging taxpayer compliance and strengthening the tax justice.

It can be inferred that this article seeks to analyze the fiscal, regulatory, and practical challenges of Taxation of cryptocurrency transactions carried out by individuals in Brazil, with emphasis in Income Tax and the effectiveness of current legislation. Furthermore, the aim is to examine the Legal and tax treatment of cryptocurrency transactions, identifying the main... difficulties faced by the Federal Revenue Service in monitoring these operations, as well as to assess the need for legislative updates to create specific regulations on the Taxation of cryptocurrencies.

Given the above, it is observed that the taxation of cryptocurrencies in Brazil is still... in a scenario of regulatory uncertainties and practical challenges, especially with regard to to legal certainty, fiscal justice, and the effectiveness of tax enforcement.

2. MATERIALS AND METHODS

The methodology adopted in this article is qualitative and exploratory in nature, with an approach... dialectical, grounded in doctrinal, normative, and jurisprudential analysis. The investigation based on constitutional principles and current tax regulations to examine its application to crypto assets, identifying gaps and challenges in the Brazilian legal system.

According to Gil (2019), deductive legal research allows one to start from general premises to arrive at... to specific conclusions, appropriate to the normative reality.

The qualitative approach was chosen because it allows for the critical interpretation of the sources and the Understanding the relationship between technology and taxation. Laws and legal opinions will be examined. technical reports, Federal Revenue Service reports, as well as the jurisprudence of the CARF, the STJ and the TRFs. The dialectical method will be employed to confront the need for normative innovation. with the classic principles of Tax Law, such as legality, capacity Contribution and fiscal equality. Thus, the aim is to propose an analysis that integrates security. legal and technological modernization, drawing on primary and secondary sources.

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

The article relies on the Federal Constitution, the National Tax Code, Law No. 14.478/2022, and Instruction... Normative Instruction No. 1,888/2019, in addition to studies by authors such as Amaro (2018), Machado (2020), Paulsen (2021) and Peck (2022). The objective is to offer theoretical and practical support for the Improving legislation and tax policy on crypto-assets in Brazil, in In accordance with the international guidelines of the OECD and the IMF.

Therefore, the taxation of crypto assets in Brazil remains marked by regulatory gaps and legal uncertainty, which requires clearer and more comprehensive regulation to protect the to protect taxpayers' rights and promote the development of the sector.

3. RESULTS

This article is based on the social, scientific, and legal relevance of analyzing the taxation of Cryptocurrency trading in Brazil. The topic is part of a growing context. The exponential growth in the use of digital assets has attracted more and more individual investors. This reality demands special attention from the legal system, since operations Unregulated financial institutions can compromise tax fairness and encourage tax evasion. From a social point of view, the discussion takes on great importance, as it involves preservation. of equity in the tax system. When taxpayers in similar situations are treated Unequal distribution due to regulatory loopholes creates a scenario of fiscal injustice. Tax justice requires clear rules applicable to all forms of wealth, including assets. digital. Therefore, ensuring uniform taxation on cryptocurrencies is essential. to strengthen public confidence in the legal system.

From a scientific perspective, the study is justified by exploring a field that is still not very well established, but The digital economy is constantly growing and demands the formulation of new concepts and... legal paradigms. This opens space for critical academic production, capable of proposing adjustments and Pathways to modernizing the Brazilian tax system.

In the legal field, the research is relevant because it questions the compatibility of the current model. with fundamental constitutional principles, such as the ability to pay and legality. Therefore, the article not only fits into a current and urgent debate, but also contributes to it. with reflections that can guide legislative reforms and strengthen the legal and tax system. and to promote tax justice amidst the transformations of the digital economy.

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

4. DISCUSSION

The taxation of capital gains and digital assets has become one of the main challenges of Contemporary Tax Law. With the popularization of cryptocurrencies, such as Bitcoin and... Ethereum, transactions carried out by individuals and legal entities have come to represent new... Forms of wealth, requiring attention from the State for the purposes of revenue collection and fiscal control. According to Amaro (2018, p. 45), “taxation must keep pace with the economic and technological evolution of society, without losing sight of the constitutional principles that govern the tax system.” Thus, Gains obtained from the sale of crypto assets are considered increases in net worth and, therefore subject to income tax.

The Brazilian Federal Revenue Service, through Normative Instruction No. 1,888/2019, established the mandatory requirement. providing information on cryptocurrency transactions, aiming for greater transparency and... combating tax evasion. According to Paulsen (2021, p. 162), “The taxation of capital gains aims to guarantee fiscal justice and neutrality of "The system ensures that all forms of income are treated equally." In this way, The absence of clear regulations could lead to legal uncertainty and tax evasion. Therefore, the tax regulation of capital gains on crypto assets represents a necessary step forward. for the consolidation of a modern and fair tax system. The challenge lies in balancing Innovation and revenue collection, without stifling technological development or creating loopholes for illegal activities. financial.

4.1 Legal conceptualization of crypto-assets and digital taxation

The legal conceptualization of crypto-assets is fundamental to defining their tax nature and, Consequently, its form of tax incidence. The Legal Framework for Cryptocurrencies (Law No. Law 14.478/2022) brought significant progress by officially recognizing these assets and establishing parameters for its regulation.

According to Peck (2022, p. 39), “crypto assets are not to be confused with traditional currencies, but They represent digital assets with economic value that can be used in transactions and "Investments." It is evident that the creation of specific legislation for the taxation of Cryptocurrencies could represent a significant advancement in the Brazilian legal system.

In the tax context, the lack of a uniform definition creates challenges in the classification of... income derived from these assets. For Paulsen (2021, p. 211), “understanding the nature Legal analysis of crypto assets is essential to correctly classify the taxable event and determine the tax.

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

"due to". The prevailing doctrine understands that crypto-assets resemble intangible assets and are taxed according to the rules applicable to income and capital gains.

Machado (2020, p. 91) highlights that digital taxation requires the adaptation of the legal system to new economic realities, in order to preserve legal certainty. Furthermore, neutrality Technology should guide legislators, avoiding discrimination between digital and digital activities. traditional.

The absence of a clear concept can lead to legal disputes and difficulties in enforcement. This, the role of the Internal Revenue Service and international organizations, such as the International Monetary Fund International (IMF) and the Organisation for Economic Co-operation and Development (OECD) is essential for the harmonization of tax regulations.

Thus, the legal definition of crypto-assets constitutes the first step towards coherent taxation. and effective, aligned with constitutional principles and global trends in digital regulation.

4.2 Application of legality and contributory capacity in the technological environment

The principle of tax legality, provided for in Article 150, I, of the Federal Constitution, guarantees that No tax will be levied without a law establishing it. In the context of crypto assets, this rule applies. plays a central role in legal certainty and taxpayer protection. According to Amaro (2018, p. 59), “legality represents a limitation on the power to tax, ensuring "Predictability and transparency in state action." The fundamental role of the principle is identified. Legality is an essential guarantee in the tax system. This principle acts as a limit to... state power, preventing arbitrary actions and ensuring greater legal certainty for taxpayers.

Similarly, the principle of ability to pay (Article 145, § 1, CF) establishes that... Taxes should be proportional to the taxpayer's ability to pay. In a digital environment. In a system where operations can be anonymous and decentralized, the challenge lies in measuring the capacity. effective economic.

Applying these principles to the digital world requires legislative innovation and cooperation. internationally. The OECD recommends the creation of tracking and transparency mechanisms for To ensure that cryptocurrency holders are taxed fairly and proportionally.

Paulsen (2021, p. 178) states that “the adaptation of classical principles to technological reality is indispensable for ensuring the effectiveness of the tax system and the protection of economic order.

Thus, legality and the ability to pay should guide both the creation of rules and its practical application, promoting a balance between innovation and tax justice and ensuring the effectiveness of the tax system.

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

Therefore, it is essential that the Brazilian legal system advance in the regulation of
crypto-assets, ensuring legal security and compatibility between new technologies and values.
constitutional aspects of Tax Law.

4.3 Tax liability and blockchain in tax law

Blockchain technology, the basis of cryptocurrencies, introduces new challenges to accountability.
Tax. It is a decentralized system that securely records transactions and
immutable, dispensing with intermediaries. According to Peck
(2022, p. 72), “Blockchain represents a revolution in the way transactions are recorded and validated,
but it also imposes new barriers to identifying taxpayers. It is observed that
The ambivalent nature of blockchain technology in the tax context. While...
This innovation promotes greater security, transparency, and immutability in the recording of transactions.
It also challenges traditional models of oversight, especially regarding the identification of...
passive subjects.
In tax law, liability is defined by rules that indicate who is responsible.
for the payment of the tax. In cryptocurrency transactions, this definition becomes complex.
especially when there is anonymity in the transactions. For Machado (2020, p. 153), “a
Technological decentralization challenges traditional oversight mechanisms and demands the creation of new technologies.
of new forms of digital accountability”. One of the main impacts of this is noticeable.
Digital transformation in tax law: the inadequacy of traditional models.
oversight in the face of decentralized technologies.
The Brazilian Federal Revenue Service has been seeking alternatives, such as requiring reports and records in...
centralized platforms, according to IN No. 1,888/2019. Paulsen (2021,
(p. 198) Note that “the traceability promoted by blockchain can be an ally of the administration
"Tax-related, provided it is integrated into appropriate regulatory systems."
Tax liability in the digital environment must observe principles such as good faith,
Transparency and cooperation. The doctrine argues that blockchain can serve not only to
State control, but also to guarantee the rights of taxpayers, preventing undue assessments.
Thus, technology, when properly regulated, contributes to a more efficient tax system and
fair.

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
IRCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

4.4 Analysis of cryptocurrency taxation in other countries

International experience offers important lessons for Brazil. Countries such as the United States
The United States, Japan, and those of the European Union have already implemented specific rules for the taxation of
Cryptoassets. In the US, the Internal Revenue Service (IRS) classifies cryptocurrencies as...
property, subjecting it to taxation on capital gains. In the European Union, the Court of
The courts have recognized, since 2015, the exemption from VAT on cryptocurrency exchange transactions.
According to Souza (2023, p. 82), “observing foreign practices is essential for Brazil
"Develop balanced regulations that are compatible with global standards." It is noted,
Therefore, Japan, for example, has adopted mechanisms for registering exchanges and controlling...
transactions, ensuring greater fiscal transparency and security for users. It is
important to note that fiscal transparency and user security form the basis of
Current regulation of the cryptocurrency market in Brazil. Therefore, the Federal Revenue Service and the
The Central Bank of Brazil has established strong regulations in order to equate cryptocurrencies with...
traditional financial system, aimed at segregating assets and reporting transactions, for
to prevent financial crimes and, primarily, to protect the investor, culminating in
establishing legal certainty.
Peck (2022, p. 91) highlights that “the international harmonization of standards on crypto-assets is
"Fundamental to avoid double taxation and tax evasion."
Therefore, Brazil should align its legislation with the model proposed by the OECD, promoting the
Legal certainty and economic competitiveness.
Given this, international cooperation is the way to face the tax challenges of a
"A digital market without borders." Therefore, studying foreign experiences helps in formulating [this strategy].
of public tax policies suited to the Brazilian digital economy.

4.5 Regulatory gaps and legal uncertainty in taxation

The taxation of crypto assets in Brazil faces serious regulatory gaps, which generates uncertainty.
Legal advice for investors, companies, and legal professionals. The absence of specific legislation.
For crypto assets, it makes the tax classification of these operations difficult, as the institutes
Traditional tax law principles were not designed for decentralized digital assets and...
volatile nature. According to Dalberto and Cidri (2023), the legal classification of cryptoassets is still
This is the subject of intense debate, which makes it difficult to precisely define the taxable event, the tax base, and the...
applicable tax rates.

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

Here in Brazil, crypto assets are legally classified as virtual assets — property.
intangible assets — protected by cryptography and traded on the blockchain, according to the Legal Framework.
Regarding crypto-assets, Law No. 14.478/2022 governs them. Crypto-assets do not have legal tender status—they do not represent legal tender.
official currency — not centrally issued, but considered assets that can be seized to settle debts and
They are still subject to capital gains tax. The Central Bank of Brazil is its main regulator.
standardizer.

However, it is important to note that legal uncertainty stems primarily from a lack of
detailed regulation of ancillary obligations, such as tax accounting and declaration of
Cryptocurrency operations. Second
Silva (2022, p. 56): “The Federal Revenue Service has issued specific guidelines, but these do not replace
"It's a general rule, which leaves room for divergent interpretations and inconsistent enforcement actions."
Furthermore, the absence of clear criteria for the taxation of capital gains, exchanges, and
International transactions increase the risk of double taxation and conflicts between jurisdictions.
According to Silva (2022), legal uncertainty inhibits the development of the market for
Cryptocurrencies are facing challenges, as investors and companies hesitate to conduct transactions for fear of tax penalties.
or legal disputes. The lack of regulation also hinders tax planning and
Compliance requires legal professionals to act with caution and transparency to avoid...
fines, court-ordered asset freezes, and crimes against the tax system.
According to Anselmini (2023), the taxation of crypto assets requires a new approach, as the models
Traditional approaches fail to account for the volatility and decentralized nature of these assets, which generates
gaps in the application of current regulations. The author highlights that legal uncertainty affects
directly impacts the confidence of economic agents, hindering the attraction of investments and...
Innovation in the sector.
Finally, Srur (2025), representative of the Brazilian Association of Cryptoeconomy, states that the
The recent regulation by the Central Bank represents progress, but it still doesn't solve all the problems.
tax loopholes, especially regarding the taxation of international transactions and the definition
Clear criteria for calculating taxes on crypto assets are needed. Much remains to be done.
to guarantee legal security and stimulate the growth of the Brazilian cryptocurrency market, which
This requires a broader dialogue between legislators, regulators, and industry operators.

4.5.1 Fiscal Challenges

Taxation of cryptocurrency transactions by individuals in Brazil faces fiscal challenges.
significant consequences arising from the volatility of these assets and the absence of specific legislation, which

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
IRCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

This complicates the calculation of capital gains. The Brazilian Federal Revenue Service classifies cryptocurrencies as assets.
or rights, subject to Income Tax on Capital Gains (IRGC), with rates
progressive rates of 15% to 22.5%, but the exemption for monthly sales up to R$ 35,000 does not solve the problem.
Difficulty in calculations involving abrupt price fluctuations.
According to Anser-mini (2023), volatility stands out as the main regulatory obstacle.
because acquisition and disposal values vary drastically, which demands tools
precise measures to avoid tax undervaluation or overvaluation. It should be noted that the following are indispensable:
development and adoption of more precise and up-to-date methodological tools, capable of
To monitor market fluctuations in real time.
These challenges are compounded by the need to declare transactions exceeding R$ 30,000 per month.
According to Normative Instruction RFB No. 1,888/2019, this places a burden on individuals without expertise.
accounting. Bittencourt (2022) argues that the lack of a clear classification as currency or asset
Financial issues create legal uncertainty and can lead to penalties for omission or error in the basis of
calculation of income tax. Furthermore, starting in 2026, data cross-referencing with national exchanges and
Foreign companies will intensify their scrutiny, increasing the risk of inconsistencies in declarations.
Previous examples highlight the pressing need for specific regulations and guidelines.
unified, otherwise an environment of mass litigation and insecurity will be established.
It discourages innovation and voluntary compliance.
Another critical aspect is the taxation of exchanges between crypto assets, equated to sales by the...
Brazilian Federal Revenue, which generates taxable income even without conversion to reais. Paulsen (2021)
emphasizes that constitutional principles, such as the ability to pay, are challenged by
The decentralized nature of cryptocurrencies makes it difficult to ascertain the income earned. This reveals...
that the decentralized architecture of the crypto market subverts the traditional principles of
incidence. Mendes (2023) adds that the digital economy requires adaptation of
The National Tax Code (CTN) applies because off-chain operations escape immediate control.
There is a clear need for an urgent legislative agenda: the creation of specific rules that
assign instrumental duties to new subjects or establish rebuttable presumptions of occurrence.
the taxable event based on verifiable evidence; otherwise, the taxation of cryptocurrencies
It could turn into an exercise in fiction.
Volatility also impacts inheritance and donations, where the value of assets fluctuates, which
complicates the ITCMD (Inheritance and Gift Tax). Amaral (2021) argues
Brazilian tax law needs specific regulations for digital assets in order to avoid
Tax evasion through non-custodial wallets.

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google
IRCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

In summary, fiscal challenges demand rigorous compliance. Peck (2022) suggests the use of
Blockchain-based tracking tools to mitigate risks. It is observed that, when
contrary to proposals that are limited to toughening penalties or expanding ancillary obligations.
Lacking technological backing, the author directs the tax authorities towards an analytical intelligence strategy, founded on...
in the very nature of the object to be taxed.

4.5.2 Regulatory Challenges

The regulatory challenges in cryptocurrency taxation in Brazil stem from fragmentation.
regulatory framework, with the Federal Revenue Service acting through instructions, such as INs 1.888/2019 and
2.180/2024, without a complementary law. This absence of adequate legislative hierarchy generates a
an environment of legal uncertainty, since normative instructions, by their sub-legal nature, do not
They can innovate in the field of defining taxable events, tax base, or taxpayers.
Brazilian Normative Instruction 1.888 requires the monthly reporting of transactions exceeding R$ 30,000, but does not cover all transactions.
P2P transactions, which violates the principle of tax legality (art. 150, I, CF/88), according to
Paulsen (2021). It should be noted that the solution, therefore, does not consist simply in expanding the
The scope of the normative instruction is not limited to requiring the legislature, and not the Executive Branch, to define it.
unilaterally, the contours of the ancillary obligation in the cryptocurrency environment, under penalty of being
normalize an unconstitutional practice of blank normative delegation. Mendes (2023)
argues that tax reform
(PEC 45/2019) Ignores digital assets and maintains double taxation on international remittances.
even in the absence of adequate bilateral treaties. It is demonstrated that the intended modernization
by the PEC, later converted into Constitutional Amendment No. 132/2023, it was limited to
restructuring consumption taxes without any progress in the area of income taxation,
of international financial transactions or remittances linked to the trading of crypto assets.
Regulatory volatility discourages investment, resulting in GDP growth of R$
R$94 billion (2020) to R$415 billion (2024). Significant growth is noticeable; however, this occurs at...
Despite the regulatory instability, and not necessarily because of it. The absence of a framework.
Established legal frameworks often generate legal uncertainty, which tends to inhibit entry.
Institutional and large investors prioritize predictability. According to Anser-
mini (2023), the PL for unified taxation is proposed. Thus, harmonization is essential for the
legal certainty.
It should also be noted that the harmonization and regulation of cryptocurrencies in Brazil are currently underway.
at a more advanced stage, with the Central Bank of Brazil acting as the main regulator, because

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

has focused on security, transparency, and investor protection. It can be inferred that the market
Brazilian companies seek to align themselves with international standards, which tends to favor companies that...
They are able to meet the capital and compliance requirements, while also providing...
greater confidence for institutional and retail investors. Furthermore, harmonization aims to integrate the
Cryptocurrencies are integrated into the traditional financial system, providing security without hindering innovation.

FINAL CONSIDERATIONS

The analysis developed throughout this study allowed for a more in-depth understanding of
The legal aspects of taxation of cryptocurrency transactions carried out by individuals.
in Brazil. Given the significant growth of the cryptocurrency market and the expansion of
Given the participation of individual investors in this digital environment, it has become essential to examine how...
The Brazilian tax system has been facing the challenges imposed by this new reality.
economic. In this sense, it was found that technological evolution and decentralization,
The characteristics of cryptocurrencies impose interpretative and operational difficulties on the model.
traditional taxation.
The Brazilian legal system lacks sufficiently clear and specific legislation.
Regarding the taxation of cryptocurrency transactions carried out by individuals. The rules
Current practices, based on regulatory instructions and administrative understandings, show themselves to be...
Limited by the decentralization and volatility of digital assets. This gap
It undermines tax fairness, hinders oversight, and creates legal uncertainty. Thus, the
Creating specific legislation can strengthen revenue collection and bring greater regulatory clarity.
It is concluded, therefore, that the taxation of cryptocurrency transactions by individuals
This represents a topic of great importance for contemporary law, requiring updates.
legislative and interpretative changes are constant. In this sense, the study contributes to expanding the
legal understanding of the topic, promoting reflections that can help improve the
tax policies and strengthening legal certainty in the treatment of digital assets in
Brazil.

REFERENCES

AMARAL, Luciano. Brazilian Tax Law. São Paulo: **Revista dos Tribunais,** 2021.
Available at: https://ibdt.org.br/site/wp-content/uploads/2021/05/compilacao-da-revista-direito-tributario-atual-Nos01-ao-47.pdf. Accessed on: March 2, 2026.

AMARO, Luciano. **Brazilian Tax Law.** 25th ed. São Paulo: Saraiva, 2018.

ANSERMINI, Priscila. **Taxation, volatility and regulatory challenges of digital assets in law.**

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Machine Translated by Google

Year VII, v.1 2026 | Submission: 06/05/2026 | Accepted: 09/05/2026 | Publication: 12/05/2026

Brazilian. 2023.

BITTENCOURT, André. **Cryptoassets and Taxation:** contemporary challenges. Belo Horizonte: Fórum, 2022.

BRAZIL. **Constitution of the Federative Republic of Brazil of 1988.** Brasília: Federal Senate (1988). Available at https:// in: www.planalto.gov.br/ccivil_03/constituicao/constituicaocompilado.htm. Accessed on: February 20, 2026.

BRAZIL. **Normative Instruction RFB No. 1,888, of May 3, 2019.** Provides for the mandatory reporting of information relating to transactions with crypto-assets. Official Gazette of the Union, Available at https://www.gov.br/receitafederal/pt-br/assuntos/orientacao-tributaria/ Brasília (2019) in: declaracoes-e-demonstrativos/criptoativos . Accessed on: February 15, 2026.

BRAZIL. **Law No. 14,478, of December 21, 2022.** Establishes guidelines for the provision of services with crypto-assets in Brazil. Official Gazette of the Union, Brasília, 2022.

DALBERTO, Gustavo; CIDRI, Daniel. **The legal classification of crypto-assets and their challenges for taxation in Brazil.** 2023.

GALLO, Fábio. **Digital financial market and cryptocurrency taxation.** Rio de Janeiro: Elsevier, 2022.

MACHADO, Hugo de Brito. **Course on Tax Law.** 40th ed. São Paulo: Malheiros, 2020.

MENDES, José. **Taxation in the digital age.** São Paulo: Atlas, 2023.

PAULSEN, Leandro. **Tax Law:** Constitution and Tax Code in light of doctrine and jurisprudence. 10th ed. Porto Alegre: Livraria do Advogado, 2021.

PEAK, Patricia. **Digital Law and Taxation.** Curitiba: Juruá, 2022.

PECK, Patricia. **Digital Law and Cryptocurrencies in Brazil.** 2nd ed. São Paulo: Saraiva, 2022.

POHLMANN, Marcelo. **International regulation of crypto-assets.** Lisbon: Almedina, 2023.

SCHOUERI, Luís Eduardo. **Tax Law and Fiscal Justice.** São Paulo: Malheiros, 2021.

SILVA, Fábio Rodrigues. **Legal certainty and tax regulation of crypto-assets:** impacts and challenges in the Brazilian context. 2022.

SOUZA, Raphael. **Cryptocurrencies and Brazilian tax law.** Brasília: Thesaurus, 2021.

SOUZA, Raphael. **Taxation of Cryptoassets and Blockchain.** Rio de Janeiro: Forense, 2023.

SRUR, Bernardo. **Regulation and the impacts of recent regulation on the Brazilian cryptoasset market.** 2025.

TAVARES TORRES, Heleno. **Taxation of crypto assets and the digital economy.** Salvador: JusPodivm, 2022.

This article is published in open access under the Creative Commons Attribution license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.