

# PORTUGUESE BUDGET PROPOSALS DEFI & OTHER TRANSACTIONS (2023)

**TAXPAYERS SHOULD GENERALLY START WITH THE PRESUMPTION THAT ANY TRANSACTION INVOLVING CRYPTO-ASSETS WOULD BE A TAXABLE EVENT UNLESS CERTAIN SPECIFIC EXCEPTIONS APPLY**

<b>CRYPTO EVENT</b>	<b>POSSIBLE TAX QUALIFICATION</b>
Depositing collateral for a loan	In principle not taxable as there is no disposition (unless it involves exchange of token)
Forced liquidations (margin call)	Should give rise to capital gains or losses (holding period relevant for 28% or 0% tax rate)
Receiving collateral back as different coin	Not covered but likely considered as taxable exchange
Yield Farming (liquidity mining)	Not covered but likely taxable exchange on disposal (unless new tokens issued taxed when received)
DeFi staking earning new tokens	Likely capital gains on moment of disposal (unless deemed commercial activity and taxed as such)
DeFi staking with tokens value increase	Likely capital gains on moment of disposal (unless deemed commercial activity and taxed as such)
Receiving DAO governance tokens	Likely business income (subject to clarification)
Trading DAO governance tokens	Should give rise to capital gains or losses (holding period relevant for 28% or 0% tax rate)
Wrapped token	Not covered but may be considered a taxable exchange
Liquidity pool transfers	Uncertain as could be construed as mere deposit or as a taxable exchange
Self-repaying loans	Not covered but possibly not taxable (subject to clarification)
Airdrops	Not covered – tokens received may qualify as taxable gift (10%) or taxable on disposal (subject to clarification)