

A Roadmap for the Crypto Flat Tax?

What crypto investors should check now — on the German Finance Ministry's draft bill of September 2026. As at: 30 September 2026.

UPFRONT, IN PLAIN TERMS

This checklist is based on a ministerial draft bill, not on the law currently in force. Industry consultation runs until 6 October 2026, cabinet consideration is set for 14 October 2026 — the text may still change. Nothing here is a suggestion to evade tax or to withhold information from the tax authorities: every statement you make must be true and backed by your own records. This list is not a substitute for individual advice — talk through your personal situation with us.

1 Keep old and new holdings clearly separated

- ☐ For every tranche, document **acquisition date, acquisition cost and the wallet or exchange** — separately for holdings acquired before and after 31 December 2026.
- ☐ Where possible, keep existing holdings and future purchases on **separate wallets or sub-accounts**, rather than in one mixed pool.
- ☐ Apply a consistent **disposal method (FIFO or similar)** and document it — an inconsistent approach weakens your evidence if it is ever questioned.

Why it matters: Per the draft's explanatory memorandum, crypto assets acquired by 31 December 2026 continue under sections 22 and 23 EStG unchanged. That grandfathering only helps if you can prove, if asked, which holding was acquired when.

2 Consider buying before year-end — including via lending

- ☐ Check whether planned purchases make sense **before 31 December 2026**, to bring them under the grandfathering protection rather than acquiring them in 2027 under the new tax regime.
- ☐ As an alternative to selling other assets: consider **borrowing against existing crypto holdings (lending/crypto-backed loans)** to raise liquidity for new purchases without disposing of the original position.
- ☐ Review the terms carefully: weigh **interest cost, margin-call risk and liquidation risk** on falling prices against the tax benefit.

For context: Pledging crypto as loan collateral is not a disposal and, as currently understood, triggers no tax on the pledged holding — unlike a sale, which permanently ends the grandfathering protection for the units sold. Whether and to what extent borrowing makes sense for you depends on your overall financial situation and is expressly a case-by-case question.

3 Sales within the holding period — watch stop-loss orders

- ☐ Review or disable **automated stop-loss and take-profit orders** on existing holdings still within their twelve-month holding period.
- ☐ Note each tranche's acquisition date in your calendar to avoid an **unwanted sale shortly before the one-year mark**.
- ☐ Keep in mind that **buying back in after a sale** — automated or not — would count as a new holding under the proposed rules if it happens after the cutoff date.

Caution: An order does not know your tax position. Under current law, an automatic sale within the one-year holding period is already taxable at your personal rate of up to 45% — and it permanently ends the grandfathering protection for those units.

4 Withholding and forced sales: check where you hold your crypto

- ☐ Check whether your platform is **domestic or has a German branch** — only then would the draft's automatic withholding apply from 2028.
- ☐ With domestic providers: factor in their right to **sell crypto-assets without your consent** to cover the tax owed (section 44(1) sentence 8 EStG), especially for illiquid or highly volatile holdings.
- ☐ Consider moving to a **foreign platform with no German branch** as a way to avoid the automatic withholding and the forced sale.

To be clear: A foreign platform only avoids the **automatic withholding and the forced sale** — not the tax itself. The duty to self-declare in your own tax return remains in full, and the tax owed is identical. Many foreign providers also report holdings to the German tax authorities via DAC 8/CARF regardless. The only real benefit lies in **your own control over the timing and funding** of the tax payment, not in its amount or avoidance.

5 The stablecoin trap

- ☐ Pay particular attention to complete acquisition records for **stablecoin conversions or sales** — precisely because the real economic gain here is often close to zero.
- ☐ Document stablecoin transfers between wallets and exchanges **with date and origin**, before the trail goes cold.
- ☐ Keep your own records (portfolio tracker, exports, account statements), **independent of what any single exchange shows**.

The core problem: If a domestic platform lacks proof of acquisition cost, the draft assumes 50% of the disposal proceeds as the tax base — at a 25% flat rate, an effective 12.5% of the entire conversion amount. For a stablecoin trading near its peg, that hits a transaction with almost no real gain, sometimes even a loss. What you cannot prove to an exchange, you likely cannot easily prove to the tax office either — **foreign platforms shift that balance**, because without a domestic withholding agent, the automatic 50% assumption never applies, and your own well-documented declaration governs instead. That does not relax the duty to state things truthfully — it only shifts who carries the burden of proof first.

Questions about your own situation?

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This checklist summarises considerations on the draft bill of the Federal Ministry of Finance, "Entwurf eines Gesetzes zur Reform der Besteuerung bestimmter Kryptowerte im Privatvermögen," as at 30 September 2026. The draft is not yet law; industry consultation runs until 6 October 2026, with cabinet consideration scheduled for 14 October 2026. For the full assessment with complete sourcing, see bitcoin-tax.de/en/knowledge/draft-bill-crypto-flat-tax/. This list is not individual tax advice and does not establish a client relationship. © Steger Consulting Steuerberatungsgesellschaft mbH, Potsdam, Germany.