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Original:

<https://www.btcc.com/en-US/academy/guide/how-to-avoid-cryptotax-legally-in-2025-7-proven-strategies>

How to Avoid Crypto Tax Legally in 2025: 7 Proven Strategies

With a new wave of regulatory scrutiny—like the U.S. Form 1099-DA reporting in 2025 and global CARF requirements—crypto profits are no longer off the radar. This guide covers questions like how to avoid crypto tax legally, how to offset crypto taxes with losses, how to borrow against crypto to avoid selling. And ***Discover 7 legal ways to minimize crypto taxes in 2025—from long-term holding and tax-loss harvesting to crypto-backed loans and donations.***

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1. Hold Crypto for More Than 12 Months

- Holding crypto over 12 months qualifies for long-term capital gains, taxed at 0-20% instead of up to 37%.
- Simple strategy: buy and wait—no taxable event until selling.

2. Tax-Loss Harvesting

- Sell tokens at a loss to offset gains or up to \$3K of ordinary income; unused losses roll over .
- Tip: do this before year-end to optimize filing.

3. Borrow Against Crypto (Avoid Selling)

- Use crypto-backed loans instead of selling. Borrowing itself is not taxable .
- Reddit confirms:
“generally yes, you borrow against your crypto in the short term...”
- Risk note: only repay with non-appreciated assets to avoid gain events .

4. Donate Crypto to Charity

- Donating avoids capital gains and grants a fair-market-value deduction .
- Fidelity Charitable received \$688M in crypto donations through Nov 2024 .

5. Gift Crypto Tax-Free

- In the U.S., gifts under ~\$19K (2025) per recipient aren't taxable .
- Ideal for transferring to lower-bracket family members (who then pay little to no tax).

6. Invest via Crypto-Enabled Retirement Accounts

- Trading inside a Self-Directed IRA/401(k) defers or eliminates annual crypto taxes .
- Platforms: Alto CryptoIRA, iTrustCapital, BitIRA, Blockpit-managed IRAs.

7. Move or Use Tax-Friendly Jurisdictions

- Consider relocating or establishing tax residency in Portugal, UAE, Singapore, Switzerland, Germany (post-1-year hold) .
- Also, states like Florida or Puerto Rico offer tax perks within the U.S. .

Tools & Resources

- **Crypto tax software:** CoinLedger, TokenTax, Koinly, Blockpit help with recordkeeping, lot selections (HIFO/FIFO), and harvesting .
- **Find a crypto-savvy CPA** for personalized advice, especially with DeFi/NFT/loan complexities .

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FAQs

Q: Is staking taxable?

Yes, staking rewards are considered ordinary income taxed at market value upon receipt .

Q: Is moving crypto between my wallets taxable?

No—no taxable event if no sale. Just record addresses to prove self-transfer .

Q: Are DEX swaps taxable?

Yes—crypto-to-crypto trades count as disposals and trigger capital gains .

Conclusion

By applying these seven legal strategies—long-term holding, loss harvesting, crypto-backed loans, donations, gifting, retirement accounts, and tax-friendly residency—you can significantly minimize your crypto tax burden in 2025. Always track every transaction, consult professionals, and stay ahead of changing regulations.

How to Trade Crypto on BTCC?

This brief instruction will assist you in registering for and trading on the BTCC exchange.

Step 1: Register an account

The first step is to hit the “Sign Up” button on the BTCC website or app. Your email address and a strong password are all you need. After completing that, look for a verification email in your inbox. To activate your account, click the link in the email.

Limited time only. Claim your 10,055USDT welcome reward

08h : 39m : 07s

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Stay Ahead, Stay Secure, with BTCC

250X Leverage	300+ Cryptocurrencies	0.045% Max. fee	0.01% Min. fee
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👑 Upgrade to VIP for amazing privileges!

Create Account

Registration takes only 30 seconds

Email Mobile

Email address

Create a password

Referral code (optional) ▼

Register now

Or register via

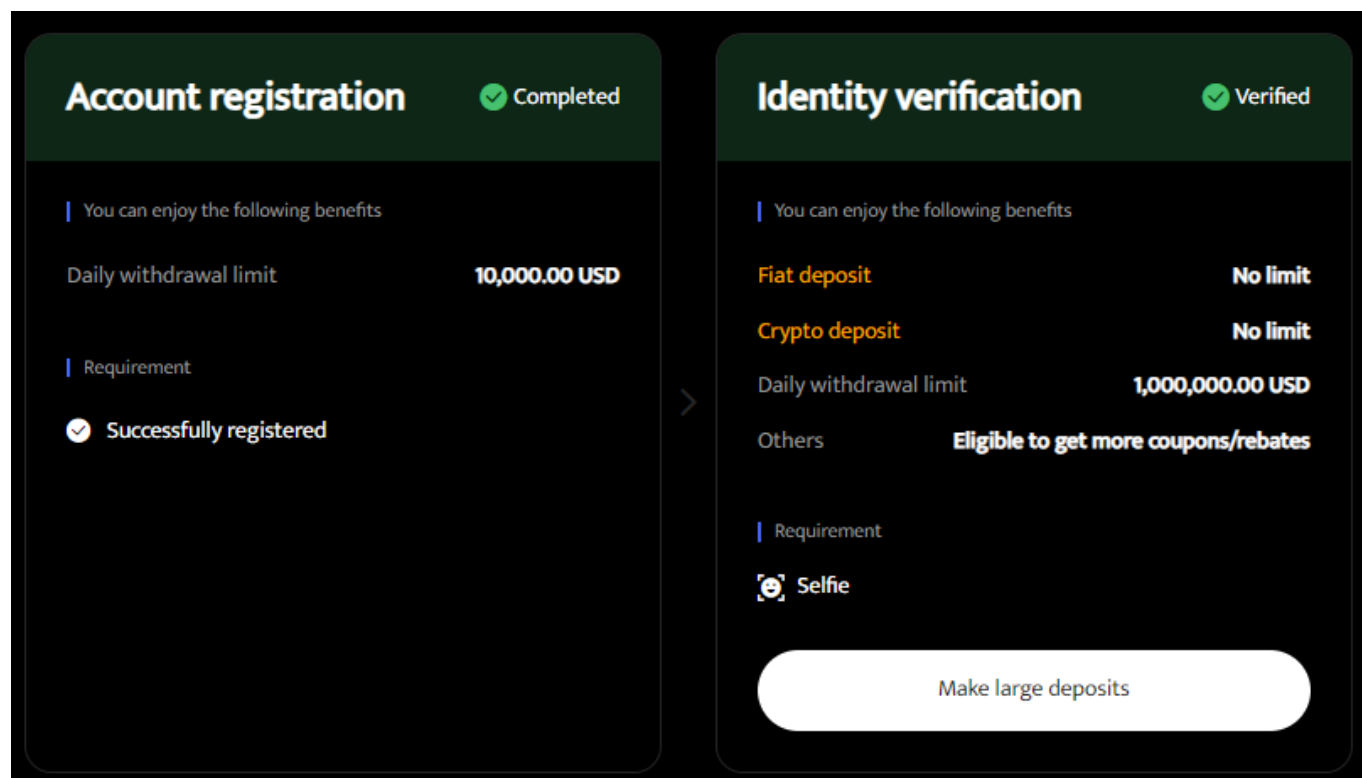
Google Apple Telegram

By creating an account, I agree to BTCC's [Privacy Policy](#) and [User Agreement](#).

Step 2: Finish the KYC

The Know Your Customer (KYC) procedure is the next step after your account is operational. The main goal of this stage is to maintain compliance and security. You must upload identification, such as a passport or driver's license. You'll receive a confirmation email as soon as your documents are

validated, so don't worry—it's a quick process.



Step 3. Deposit Funds

After that, adding money to your account is simple. BTCC provides a range of payment options, such as credit cards and bank transfers. To get your money into your trading account, simply choose what works best for you, enter the amount, and then follow the instructions.

- **Fiat Deposit.** Buy USDT using Visa/Mastercard (KYC required).
- **Crypto Deposit.** Transfer crypto from another platform or wallet.

Fund Your Account



I don't have crypto assets



Fiat Deposit

Fund your account with USDT using
Visa/Mastercard



P2P

Buy and sell cryptos with flexible payment
methods and 0 transaction fees.



I have crypto assets



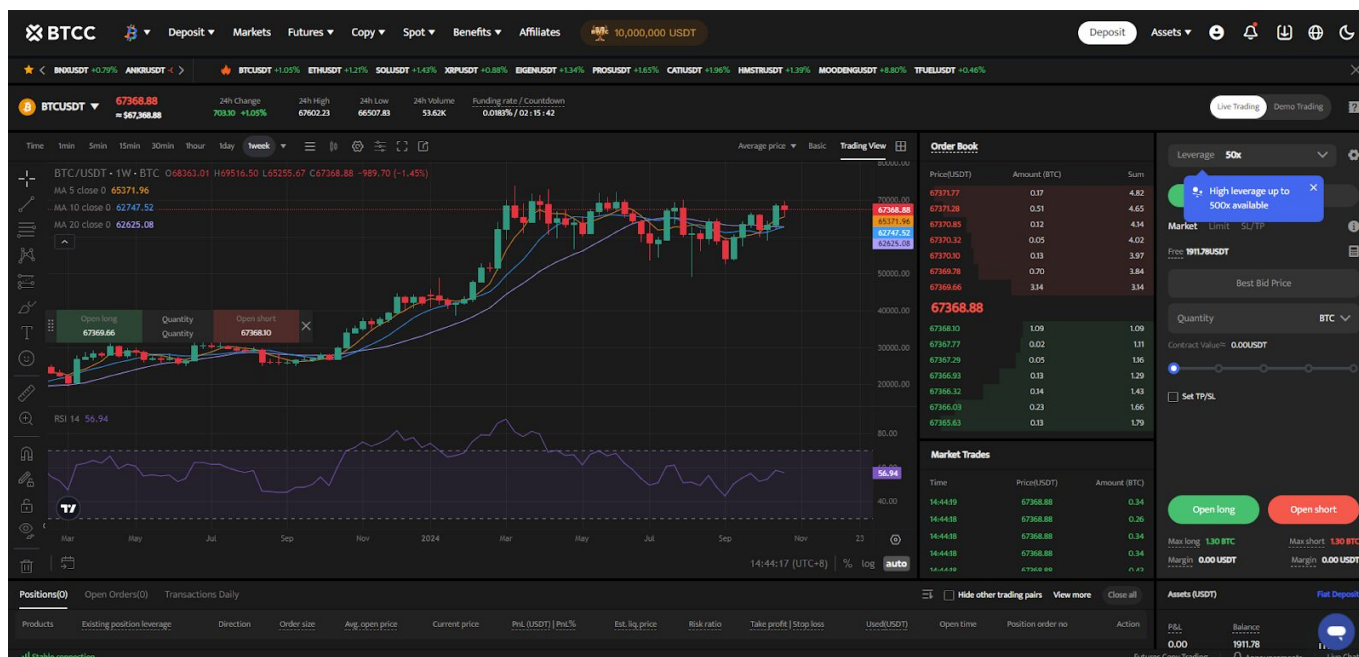
Crypto Deposit

Get the deposit address for BTC,ETH,or any
other crypto and deposit via the blockchain.



Step 4. Start Trading

If you wish to follow profitable traders, you might go for copy trading, futures, or spot trading. After choosing your order type and the cryptocurrency you wish to trade, press the buy or sell button. Managing your portfolio and keeping track of your trades is made simple by the user-friendly interface.



Look more for details: [How to Trade Crypto Futures Contracts on BTCC](#)

BTCC FAQs

Is BTCC safe?

Based on its track record since 2011, BTCC has established itself as a secure cryptocurrency exchange. There have been no reports of fraudulent activity involving user accounts or the platform's infrastructure. By enforcing mandatory know-your-customer (KYC) and anti-money laundering (AML) procedures, the cryptocurrency trading platform gives consumers greater security. For operations like withdrawals, it also provides extra security features like two-factor authentication (2FA).

Is KYC Necessary for BTCC?

Indeed. Before using BTCC goods, users must finish the Know Your Customer (KYC) process. A facial recognition scan and legitimate identification documents must be submitted for this process. Usually, it is finished in a few minutes. This procedure has the benefit of strengthening the security of the exchange and satisfying legal requirements.

Because their accounts will have a lower daily withdrawal limit, those who do not finish their KYC are unable to make deposits. It should be noted that those who present a legitimate ID without a facial recognition scan will likewise have restricted withdrawal options.

Is There a Mobile App for BTCC?

Indeed. For users of iOS and Android, BTCC has a mobile app. The exchange's website offers the mobile app for download. Since both the web version and the mobile app have the same features and capabilities, they are comparable.

Will I Have to Pay BTCC Trading Fees?

Indeed. BTCC levies a fee for trade, just like a lot of other centralised exchanges. Each user's VIP level, which is unlocked according to their available money, determines the different costs. The BTCC website provides information on the charge rates.

Can I Access BTCC From the U.S?

You can, indeed. According to its website, BTCC has obtained a crypto license from the US Financial Crimes Enforcement Network (FinCEN), which enables the cryptocurrency exchange to provide its services to investors who are headquartered in the US.

According to BTCC's User Agreement document, its goods are not allowed to be used in nations and organisations that have been sanctioned by the United States or other nations where it has a licence.

BTCC Guide:

- [How to Trade Crypto Futures Contracts on BTCC](#)
- [BTCC Guide-How to Deposit Crypto on BTCC?](#)
- [What is Crypto Futures Trading - Beginner's Guide](#)
- [What is Leverage in Cryptocurrency? How Can I Trade at 100X Leverage?](#)
- [BTCC Review 2024: Best Crypto Futures Exchange](#)

Crypto Buying Guides:

- [How To Buy Bitcoin \(BTC\)](#)
- [How To Buy Picooin](#)
- [How To Buy Ethereum \(ETH\)](#)
- [How To Buy Dogecoin \(DOGE\)](#)
- [How To Buy Pepe Coin \(PEPE\)](#)
- [How To Buy Ripple \(XRP\)](#)

Crypto Prediction:

- [Ethereum \(ETH\) Price Prediction 2024, 2025, 2030 — Will ETH Reach \\$10,000?](#)
- [Ethereum Price Prediction 2024, 2025, 2030: How High Can ETH Go in 2024?](#)
- [Bitcoin \(BTC\) Price Prediction 2024, 2025, 2030 — Is BTC a Good Investment?](#)
- [Ripple \(XRP\) Price Prediction 2024, 2025, 2030 — Will XRP Reach \\$1 After SEC Lawsuit?](#)
- [Pi Coin Price Prediction 2024,2025,2030 — Is Pi Coin a Good Buy?](#)
- [Pepe \(PEPE\) Price Prediction 2024, 2025, 2030 - Will PEPE Reach \\$1](#)