Airdrops, hard forks, staking, mining and NFTs

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The Guide treats each of the common ways of acquiring tokens without payment.

Airdrops received for nothing are not income. Airdrops received in return for, or in expectation of, services (a marketing task, a referral, a "quest") are income from those services, valued at the time of receipt.[1] The distinction tracks the general rule that a windfall is not income unless it is a reward for something the recipient did. A later disposal of airdropped tokens is taxed under the badges of trade with a cost base of nil for the free airdrop and the taxed value for the earned one.

Hard forks produce a second token for nothing. The Guide treats the receipt as a non-taxable windfall and taxes a later disposal only if the recipient is trading.[2] The practical issue is cost allocation: whether part of the original token's cost should be allocated to the forked token. The Guide does not prescribe a method and IRAS will accept a reasonable, consistently applied approach. Allocating nil cost to the new token is conservative and avoids argument.

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Mining is taxed on disposal of the mined tokens and not when they are mined. A company that mines is generally regarded as carrying on a business and is taxed on its profit from selling mined tokens, with mining expenses deductible from commencement. An individual who mines is treated as a hobbyist unless the mining is habitual and systematic, so an individual's gain on selling mined coins is not taxed and the losses are not deductible. Fees earned for providing mining or validation services to identifiable parties are taxable as service income.[3] Singapore has little mining because of electricity cost, but the same analysis applies to validators and node operators. They are economically closer to service providers than to miners and should expect their block rewards and tips to be treated as service income once they operate at any scale.

Staking rewards are not treated separately in the Guide's original structure, and IRAS has approached them by analogy. Rewards earned by a holder who delegates to a validator are a return on the holding and income under section 10(1)(g) in the hands of a trader, while a long-term investor can argue that the rewards are an accretion to a capital asset. In practice IRAS has treated staking rewards received regularly as income regardless of the holder's status, by analogy to interest or to dividends in kind, valued at receipt.[4] On this point the Swiss position, which taxes staking rewards as income from movable property for every private holder (Part G, Chapter II), is at least clear, whereas the Singapore position still carries a measure of uncertainty for the passive investor.

Non-fungible tokens follow the same logic as any other asset. A creator who mints and sells NFTs is carrying on a trade or vocation and is taxed on the proceeds. A collector who buys and later sells an NFT is taxed only if the badges of trade point to trading. Royalties programmed into the NFT contract and paid to the creator on secondary sales are income under section 10(1)(f) or (g). Singapore's Finance Minister confirmed in March 2022 that NFT income is taxed under the normal rules and that there is no separate regime.[5]

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Notes

1. IRAS, e-Tax Guide *Income Tax Treatment of Digital Tokens*, second edition, 30 January 2026, paragraphs on airdrops (free airdrops not income; airdrops for services taxable). ↩
2. IRAS, e-Tax Guide *Income Tax Treatment of Digital Tokens*, second edition, 30 January 2026, paragraph on hard forks (windfall on receipt; disposal taxed if trading). ↩
3. IRAS, e-Tax Guide *Income Tax Treatment of Digital Tokens*, second edition, 30 January 2026, section on mining (tax on disposal; companies taxed on profits; individuals presumed hobbyists; service fees taxable). ↩
4. IRAS, e-Tax Guide *Income Tax Treatment of Digital Tokens*, second edition, 30 January 2026, and IRAS website guidance on digital tokens for individuals. ↩
5. Parliamentary reply of the Minister for Finance, Singapore Parliament, 11 March 2022, on the tax treatment of NFT transactions. ↩

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