

# Cryptocurrency

Given the increased market activity in relation to cryptocurrency, have you considered the Australian income tax implications of holding cryptocurrency?

## Revenue or capital?

- Do you currently hold/have you previously held cryptocurrency? Are you aware of whether you hold/held this on revenue or capital account? There may be different tax implications for you.

## Arrived in or left Australia?

- Have you recently returned to Australia? If so, there may be capital gains tax considerations.
- Have you left, or are you intending to leave Australia? If so, you may have a capital gains tax event upon departure.

## Tax planning

- Have you thought about deductions you can claim against your taxable cryptocurrency gains?
- Are there any investment decisions you should make before 30 June 2018?

## Forking / Airdrops

- Have you received tokens via a forking event or via an airdrop? There may be tax considerations from these events.

## Crypto to crypto?

- Did you know that crypto to crypto transactions may be taxable? Have you kept records of your crypto to crypto transactions?

## Temporary resident

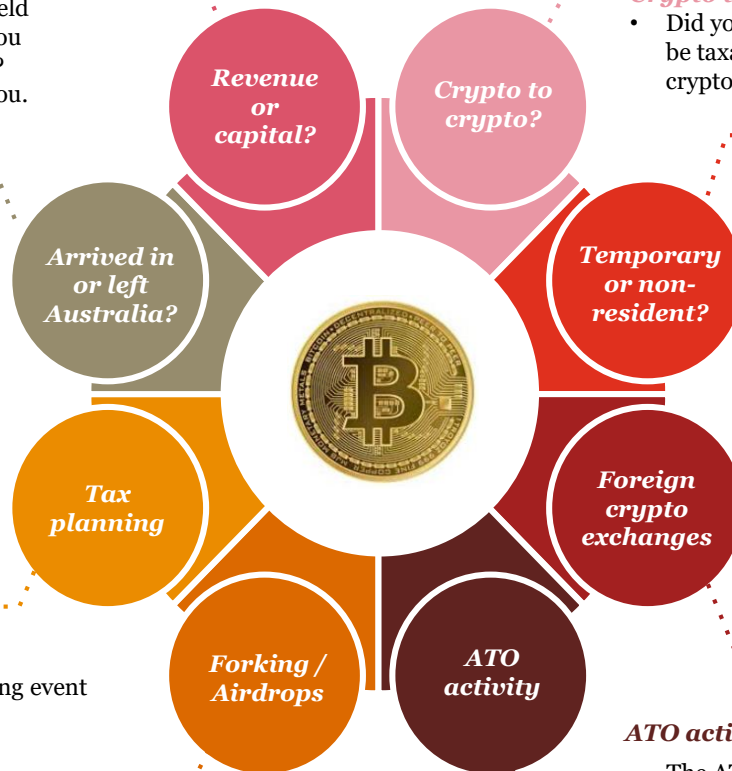
- Are you in Australia on a temporary resident visa (e.g. subclass 457 or TSS visa)? There may be tax concessions available to you.
- Are you a non-resident trading on an Australian crypto exchange? If so, there may be Australian and foreign tax considerations.

## Foreign crypto exchanges

- Are you trading on a foreign crypto exchange? There may be tax return reporting and/or tax due in the country the exchange is located, as well as in Australia.

## ATO activity

- The ATO issued guidance on the tax treatment of cryptocurrency in December 2017 and March 2018.
- The ATO has sought comments from the public on record-keeping relating to cryptocurrency.



The first decentralised digital currency, Bitcoin, was released in 2009. Since then, over a thousand cryptocurrencies have been introduced in the market. Over the past few years, there has been a significant increase in trading activities on the cryptocurrency market.

The volume and value of cryptocurrency trading activities, not only in Australia but also around the world has **raised tax authorities' interest**, many of which have started exploring ways to **monitor cryptocurrency transactions** and determine how cryptocurrency should be taxed.

In Australia, the Australian Taxation Office has released guidance on the taxation of cryptocurrency and sought public feedback/comments on record-keeping requirements for cryptocurrency transactions.

## 30 June 2018 tax year end



The 30 June 2018 tax year end is fast approaching and there will be Australian tax implications in relation to your cryptocurrency portfolio.

## Cryptocurrency



There are **significant complexities** on how cryptocurrency is taxed and you should seek professional advice on your cryptocurrency transactions.

## AUD5.9billion



In **2017 alone**, the value of cryptocurrency traded on the **Australian market was circa AUD5.9 billion<sup>1</sup>**. This does not include transactions carried out on non-Australian exchanges.

**PwC** has been **working closely with a broad range of clients and stakeholders** on the various tax matters pertaining to cryptocurrency, and **is well positioned to assist you in meeting your tax obligations for your cryptocurrency**.

If any of the issues outlined on the reverse page pertain to you, please reach out to any of the following PwC contacts for further assistance.

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<sup>1</sup> Based on a report issued by Accenture and the Australian Digital Commerce Association (ADCA) on 20 March 2018, from data collected from several of the largest Australian cryptocurrency exchanges.