



Cryptocurrency - Checklist

This checklist can be used as a guide to bring all relevant information with you to complete your Income Tax Return:

The Australian Taxation Office (ATO) is concerned that many taxpayers believe their cryptocurrency gains are tax free or only taxable when the holdings are cashed back into Australian dollars.

If you buy, sell or invest in cryptocurrency, you need to be aware of your tax responsibilities, these vary depending on the nature of your circumstances, you need to keep records for all cryptocurrency transactions.

The ATO treats cryptocurrency and non-fungible tokens (NFTs) similar to gains from other investments, such as shares. Generally, as an investor, if you buy, sell, swap for fiat currency, or exchange one cryptocurrency for another, it will be subject to capital gains tax (CGT) and must be reported even if it remains in your virtual wallet.

Holding a cryptocurrency for at least 12 months as an investment may mean you are entitled to a CGT discount if you have made a capital gain. In limited circumstances cryptocurrency may be a personal use asset.

If you are carrying on a business that involves transacting with cryptocurrency the trading stock rules may apply, rather than the CGT rules. Businesses or sole traders that are paid cryptocurrency for goods or services, will have these payments taxed as income based on the value of the cryptocurrency in Australian dollars.

What you need to bring:

- Records of receipts of transactions (buying or disposing).
- Details of the cryptocurrency.
- The date and time of the transaction.
- What the transaction was for and who the other party was (even if it's just their cryptocurrency address).
- The value of the cryptocurrency in Australian dollars at the time of the transaction (which can be taken from a reputable online exchange).
- Records of all transactions associated with acquiring, holding and disposing of cryptocurrency. (records need to be kept for five years after you dispose of the cryptocurrency)
- You must report a disposal of cryptocurrency for capital gains tax purposes. Disposing occurs when you either: exchange one cryptocurrency for another cryptocurrency, trade, sell or gift cryptocurrency, convert cryptocurrency to a fiat currency (a currency established by government regulation or law), for example to Australian dollars (A\$).
- Value portfolio 30th June each year if you are in the business of cryptocurrency.
- Loan statements if loan was used to purchase cryptocurrency or NFT's.
- If you have transacted with a foreign cryptocurrency exchange you may have tax responsibilities in another country.

If you have any queries before your appointment please contact our office.

This information is general in nature and does not take into account your specific circumstances

Moranbah Office:

Shop 15, Moranbah Fair
12-14 St Francis Drive
PO Box 318, Moranbah

P: (07) 4941 7620
M: 0439 416958

E: Stacey@ataxs.com.au
E: Admin@ataxs.com.au

Website: www.ataxs.com.au
ABN: 57 346 354 196 TAN: 26 096 649

Liability limited by a scheme approved under Professional Standards Legislation

