



Taxwise

Cryptocurrency

CRYPTOCURRENCY IS A DIGITAL CURRENCY THAT USES ENCRYPTION (CRYPTOGRAPHY) TO GENERATE MONEY AND TO VERIFY TRANSACTIONS.

TRANSACTING WITH CRYPTOCURRENCY

IF YOU EXCHANGE CRYPTOCURRENCY THIS IS NORMALLY CONSIDERED A DISPOSAL AND YOU MAY NEED TO INCLUDE A CAPITAL GAIN OR LOSS IN YOUR INCOME TAX RETURN.

disposal

You must report a disposal of cryptocurrency for capital gains tax purpose. A disposal can occur when you:

- trade, sell or gift cryptocurrency
- exchange cryptocurrency
- convert cryptocurrency to fiat currency, such as Australian dollars (AUD), or
- use cryptocurrency to obtain goods and services

If you only transfer from one wallet to another wallet, it is not considered a disposal for tax purposes

Any Questions?
Call us on (08) 9248 8124

keep records

Keep 2 spreadsheets

- One for more than 12 months
- One for less than 12 months

Separate into each cryptocurrency, such as Bitcoin, Kasta etc...

Include;

- the nature of cryptocurrency
- the quantity
- the date of the purchase transaction
- purchase price in AUD
- the date of the sale transaction
- the sale or transfer price in AUD
- what the transaction was for

NB: quantity sold = quantity purchased

TIP: For future, list the cryptocurrency purchased but not yet sold so you have good records when you do sell.



WINNER

