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22 June 2022

Crypto not taxed as foreign currency

**Joint media release with
The Hon Stephen Jones MP
Assistant Treasurer**

Crypto currencies will continue to be excluded from foreign currency tax arrangements under the Albanese Government.

A decision by the Government of El Salvador to allow Bitcoin as legal tender has the potential to create uncertainty about the status of crypto assets such as Bitcoin for tax purposes in Australia.

The Government will therefore move to clarify current arrangements in legislation that will mean crypto assets will not be regarded as a foreign currency for tax purposes.

Capital gains tax will continue to apply to crypto assets that are held as investments.

This clarification will deliver a consistent tax requirement for crypto asset holders and will be backdated to 1 July 2021 for the avoidance of ambiguity following the decision by the Government of El Salvador.

This gives certainty and clarity at a time of volatility for crypto currencies.

The Government will continue to take a pragmatic and timely approach to its role in the rapidly-evolving digital currency landscape.

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