

Australia

Treasury Announces Cryptocurrencies Are Not Foreign Currencies Even If Legal Tender

27 June 2022

Report from Tom Toryanik, Singapore

The Treasury has announced that tax legislation will be amended with effect from 1 July 2021 to clarify that cryptocurrencies are not "foreign currency" for tax purposes. As such, the clarification will ensure that cryptocurrency transactions are not subject to the specific tax rules that apply to foreign currencies, and instead continue to be subject to the ordinary tax rules, which means that gains and losses from transactions in cryptocurrencies may be subject to the capital gains tax.

This clarification is required to remove the ambiguity following the decision by the government of El Salvador to allow Bitcoin as legal tender.

See also

[Australia - Corporate Taxation - Country Surveys section 1.4.](#)

[Australia - Individual Taxation - Country Surveys section 1.6.](#)

[Australia - Country Analyses - Corporate Taxation section 1.7.](#)

[Australia - Country Analyses - Individual Taxation section 1.7.](#)