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Investments and assets

Find out about the tax implications for your investments and assets, including properties, shares and crypto assets.

Property and land

Find out about deductions, income and tax implications for residential rental properties, holiday homes and vacant land.

Shares, funds and trusts

Check the tax implications of investing in shares, funds and trusts, and what to include in your tax return.

Crypto asset investments

How to treat investments in crypto assets (also called crypto or cryptocurrency) for tax purposes in Australia.

Investing in bank accounts and income bonds

Check the income you need to declare and tax implications if you invest in bank accounts and income bonds.

Capital gains tax

How to calculate capital gains tax (CGT) on your assets, assets that are affected, and the CGT discount.

Foreign resident investments

What to do if you are a foreign resident with investments in Australia and how your investments are reported to us.

Keeping good investment records

Check which records to keep to help you report your investment income accurately and claim deductions.

QC 22800

Investing in bank accounts and income bonds

Check the income you need to declare and tax implications if you invest in bank accounts and income bonds.

Last updated 23 June 2025

Bank accounts

Interest from a bank or other financial institution is part of your assessable income for the year. Even if the funds earning the interest were not subject to tax, the interest is. For example, if you won some prize money and banked it, you wouldn't usually include the prize money on your tax return, but you would include the interest you earned on it.

You can also claim a tax deduction for expenses incurred in earning interest income or income from friendly society income bonds.

Banks and other investment bodies report the interest they pay to account holders and investors to us. We match this information with the amounts you report in your tax return to ensure that all income is

being declared. If we find a discrepancy, we will adjust your tax return and penalties can apply.

Bank accounts held by foreign residents

Financial institutions automatically withhold tax from interest earned on accounts held by foreign residents.

If you've given the financial institution your overseas address, the tax will be withheld at the rate of 10%. Without your overseas address, tax is withheld at 47%.

You don't include this interest as income on your Australian tax return.

For more information about tax withheld from unfranked dividends and royalties you earn in Australia, see [Interest, unfranked dividends and royalties](#).

Offshore bank accounts

Some tax authorities in other countries don't require you to report interest earned overseas, but we do. If you hold bank accounts in other countries, you must report any interest or other income earned from these accounts in your Australian tax return. You may have to pay additional charges if you don't do this.

Example: offshore bank account

Javed came to Australia as an overseas student. Having completed his degree, he became a permanent resident of Australia under the skilled migration program. He visits his relatives in India every year and has left his Indian bank account open for easy access to funds in India.

When preparing his first tax return as a permanent resident of Australia, Javed reads on our website that bank interest from offshore accounts is taxable in Australia. He discloses the interest that has accrued in his account in India over the year.

We receive information from the Indian Department of Revenue about interest payments as part of the Automatic Exchange of Information program. Javed's name appears in the data. The interest amount reported is consistent across the 2 sources.

Javed is complying with his tax obligations, so we take no follow-up action.

Income bonds

Bonuses from income bonds are part of your assessable income for the year.

Income bonds are a type of life insurance policy that only friendly societies issue. They are sometimes marketed as 'bonus bonds' or 'savings bonds'. Unlike other life insurance policies, which pay bonuses on maturity or surrender, an income bond is like a savings account and distributes regular bonuses. For tax purposes, these bonuses are treated in the same way as interest.

Tax file number (TFN) withholding tax

If your bank doesn't have your tax file number (TFN), it will withhold tax from your interest at the highest marginal tax rate. You can claim a credit for the amount of tax withheld when you lodge your tax return.

You don't need to provide your TFN if:

- you're under 16 years of age
- the account is in your name
- the account earns less than \$420 interest each year.

If you're under 18 years old on 30 June of an income year, your interest may be taxed under the [special high tax rates for minors](#).

For more information about income on savings accounts for children under 18 years old, see [Children's savings accounts](#).

Children's savings accounts



If your child is under 18 years old and has a savings account, find out about quoting a TFN and what income to declare.

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Who declares interest

Who declares the interest depends on who owns or uses the funds of that account. It doesn't matter what type of account it is or the name of the account holder.

You need to consider who:

- provides the money, such as the initial and ongoing deposits into the account
- decides how the money is spent, regardless of who it is spent on.

If you provide the money and spend it as you like, you must include the interest in your [tax return](#).

If you hold a joint account, interest earned is divided equally among all account holders, who each declare their share of the income in their tax return.

If the amount deposited is considered excessive, you'll need to examine it carefully to decide where the money came from and whose money it really is.

Income from a savings account is treated differently to [income from shares](#).

Example: interest earned belongs to parent

Wayne opens an account for his son by depositing \$5,000. Wayne is signatory to the account because Jack is 4 years old.

Wayne makes regular deposits and withdrawals to pay for Jack's pre-school expenses.

Interest earned from that account is Wayne's.

Example: interest earned belongs to child

Shauna is 8 years old and has a savings account in her name.

Shauna's mother Jill is signatory to the account.

The funds (totalling \$90) are birthday and Christmas presents from Shauna's relatives.

Interest earned from the account is Shauna's.

Quoting a TFN

A child can [apply for a tax file number](#) (TFN) – there is no minimum age. Children are not exempt from quoting a TFN.

When deciding whether to quote a TFN and whose TFN you should quote, you need to consider:

- who owns or uses the funds
- your child's age and the amount of interest they receive.

If the person who owns or uses the funds is the parent, as trustee for the child and

- no formal trust exists, quote the parent's TFN
- there is a formal trust, quote the trust's TFN.

Your child's age

If your child is less than 16 years old, special rules apply to their income from a savings account. When we work out their age, we treat them as being under 16 years old until the end of the **calendar** year in which they turn 16.

If your child is:

- any age and they earn less than \$120 per year (or \$10 per month) from savings accounts, their financial institution will not withhold tax

- less than 16 years old and earns between \$120 and \$420 from savings accounts per year and
 - provides either their date of birth or a tax file number (TFN), the financial institution won't withhold tax and they don't need to lodge a tax return
 - doesn't provide either their date of birth or TFN, the financial institution will withhold pay as you go (PAYG) tax at 47% and they need to lodge a tax return if they want a refund
- less than 16 years old and earns \$420 or more per year (or \$35 or more per month) from savings accounts and
 - provides their TFN, the financial institution won't withhold tax
 - doesn't provide their TFN, the financial institution will withhold PAYG tax at 47% and they need to lodge a tax return if they want a refund
- 16 or 17 years old, earns \$120 or more from their savings account per year and
 - provides their TFN, the financial institution won't withhold tax
 - doesn't provide their TFN, the financial institution will withhold PAYG tax at 47% and they need to lodge a tax return if they want a refund.

If you have a joint account between an adult and a child aged under 16 years, the same rules apply as those for a 16 or 17 year old.

Amount of interest earned

The withholding tax is calculated on the total interest earned – not just the amount above the threshold (\$420 or \$120, depending on their circumstances).

Where a deposit has a term of less than one year, or where interest is paid more than once per year, we apply a daily pro-rata calculation of the threshold (\$420 or \$120 depending on their circumstances).

Lodging a tax return

If your child has had PAYG tax deducted, you'll need to lodge a tax return on their behalf to claim any refund owed.

If your child doesn't have a [TFN](#), you'll need to get one before you can [lodge a tax return](#) on their behalf.

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Keeping good investment records

Check which records to keep to help you report your investment income accurately and claim deductions.

Last updated 23 June 2025

What records to keep

Generally, for investments you will need to keep your records for 5 years after we've processed your return.

You need to keep records relating to your investments showing:

- how much you paid for them
- what you received if you disposed of them
- what income you received from them
- the expenses you incurred in owning them and maintaining them.

You should keep records if you prepare your own tax return or use a tax agent.

For more information about the records you need for investments and assets, see:

- [Keeping records of shares and units](#)
- [Records for rental properties and holiday homes](#)
- [Keeping records for property](#) – your main residence and inherited dwellings
- [Acquiring CGT assets – keeping records](#)
- [Exchange traded funds \(ETF\)](#) – keep good records
- [Keeping crypto records](#).

Asset registers

You can set up an [asset register](#) as an easy way to keep your records. Once you have entered your information into the register, had the information certified by a registered tax agent or a person approved by the Commissioner and kept the records for 5 years, you may be able to throw out your records.

For more information, see Taxation Ruling [TR 2002/10](#) *Income tax: capital gains tax: asset register*.

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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