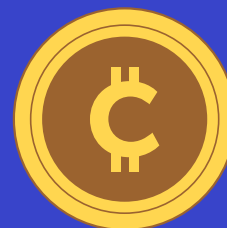




Australian Government
Australian Taxation Office

Tax and crypto asset investments



What you need to know when acquiring and disposing of all types of crypto assets.

Tax and crypto assets

How you interact with crypto assets determines if you:

- need to report income or a capital gain or loss
- can claim a deduction.

If you exchange crypto assets for goods, cash, or other crypto assets then it's likely a **disposal** for the purposes of capital gains tax (CGT) and you may need to include a capital gain or loss in your tax return.

Keeping good records

It's important to keep good records of each crypto asset and every transaction. Crypto exchanges can close or accounts can be lost. Regularly export your transaction history to avoid missing records at tax time.

You can find out more about the records you need to keep and how long to keep them at ato.gov.au/cryptorecords

Table: Records you need to keep when you buy, hold or sell an investment

Buying (acquiring)	Owning (holding)	Selling (disposing)
Keep: • receipts of your transactions when you buy crypto assets • documents that show the type of transaction, the date and time of transaction, the purchase price (in Australian dollars), and what the transaction was for • commission or brokerage fees on the purchase • agent, accountant, and legal costs • exchange records.	Keep: • software costs related to managing your tax affairs • digital wallet records and keys • documents showing the date and quantity of crypto assets received via staking or airdrop.	Keep: • receipts of your transactions when you sell or transfer • documents that show the type of transaction, the date and time of transaction, the sale or transfer price (in Australian dollars), and what the transaction was for • commission or brokerage fees on the sale or transfer • exchange records • calculation of capital gain or loss.

When capital gains tax applies

The most common use of crypto is as an investment, in which case, the crypto asset is a capital gains tax (CGT) asset.

If you acquire a crypto asset as an investment, transactions such as disposal or exchange or swap are a CGT event, and you may make a:

- capital gain
- capital loss, which can reduce other capital gains you make.

You will make a capital gain if the proceeds from the disposal of your crypto asset is more than its cost base. If you make a capital gain, it is taxable.

You may be able to reduce capital gains using the CGT discount if you hold your crypto asset for at least 12 months.

If you hold the crypto asset as an investment, it will not be exempt from CGT as a [personal use asset](#).

To work out if you made a capital gain or capital loss from each CGT event, keep records for each crypto asset and your transactions.

When assessable income arises from crypto transactions

You must declare the rewards you receive from [staking crypto assets](#). These are often in the form of additional tokens from holding the original tokens.

You'll need to:

- convert the value of your crypto assets to Australian dollars
- report them in your tax return at **Other income**.

Some crypto projects 'airdrop' new tokens to existing token holders as a way of increasing the supply of tokens. The money value of established tokens you receive by airdrop is income at the time you receive them. You'll also need to convert these amounts into Australian dollars and declare them as **Other income**.

For instructions on how to complete other income in your tax return, see [Lodgment options for preparing your tax return](#).

When to report capital gains and losses

You must report disposals of crypto assets for CGT purposes if you:

- exchange one crypto asset for another crypto asset, including activities like depositing your crypto assets into liquidity pools and wrapping
- trade, sell or gift crypto assets
- convert crypto assets to a fiat currency – for example, to Australian dollars.

Transaction fees paid in fiat currency can be included in the cost base of the crypto asset you disposed of. However, if your crypto holding reduces during a transfer due to using crypto to cover the fee, the transaction fee is also a disposal and has CGT consequences.

You have a CGT obligation even if you:

- use the proceeds from selling crypto assets to buy more crypto assets
- don't convert the proceeds into fiat currency – for example, Australian dollars.

If you transfer crypto assets from one wallet to another wallet while maintaining ownership of it, it's not a disposal for tax purposes and doesn't need to be reported.

Where to report capital gains and losses

Include any capital gains or capital losses of crypto assets at the CGT labels on your tax return

- if you made a capital gain, report it at **Total current year capital gains** and **Net capital gains**
- if you made a capital loss, report it at **Net capital losses carried forward to later income years**
- if you're reporting over \$10,000 in capital gains and completing the CGT schedule with your tax return, report capital gains and losses at **Other CGT assets and any other CGT events**.

You can work out your CGT using our [CGT calculator and record keeping tool](#).

Alternatively, you can find a reputable Australian crypto assets tax calculator to sync your exchange and wallet accounts to assist in calculating your CGT.

For a step-by-step on how to report CGT from crypto assets in your tax return, you can watch our video, [How to work out and report CGT on crypto](#).

Personal use assets

Crypto assets are usually considered an investment and not a personal use item.

Even if you use your crypto asset investments to buy personal items, this won't change it from being an investment. This includes exchanging crypto assets for Australian dollars or gift cards or using an online payment gateway to buy personal items.

Example 1: investment in crypto assets

Rosa buys crypto assets with the intention of selling later at a better exchange rate.

She decides to buy some household items using some of her crypto. Because Rosa's intention was to use the crypto assets as an investment, the crypto assets she uses to buy household items **isn't** a personal use asset.

If Rosa makes a capital gain when she disposes of her crypto assets to buy household items, it won't be exempt from CGT.

However, when you get a crypto asset and use it in a short period of time to buy personal items, it could be a personal use asset.

A capital gain on the disposal of a crypto asset is exempt if:

- the crypto asset is a personal use asset that's mainly kept or used to purchase personal items
- you got your personal use crypto asset for less than \$10,000.

Example 2: personal use asset

Nikesh pays \$50 each fortnight to acquire crypto assets to buy computer games. In the same fortnight Nikesh uses the crypto assets to buy computer games directly, where there's no conversion to a fiat currency first.

Nikesh doesn't hold any other crypto assets.

In these circumstances, Nikesh acquires and uses the crypto assets in a short period of time to buy personal items. When this occurs, the crypto assets are personal use assets.

In one fortnight, Nikesh sees a computer game he wants to buy from an online retailer that doesn't accept crypto assets. Nikesh uses an online payment gateway which buys the game on his behalf in exchange for his crypto assets. Even though the crypto asset was exchanged through the online payment gateway, it was still held and used in a short period of time to buy a personal item. In these circumstances, the crypto asset is also a personal use asset.

i For more information about personal use assets, see [Crypto asset as a personal use asset](#).

Calculate CGT correctly

If your crypto assets are held as an investment, you may pay tax on your net capital gains for the year.

To calculate your CGT use your total capital gain, subtract:

- any capital losses
- your entitlement to any CGT discount on your capital gain.

Note: Before calculating your capital gain or loss, convert your crypto purchases and disposals into Australian dollars (A\$).

When you purchase crypto assets in a fiat currency and transfer the crypto assets for another, the amount of the original purchase in the fiat currency forms part of your cost base.

Example 3: disposing of crypto assets purchased with fiat currency

Usha purchased 8,000 PZT for \$5,500 Australian dollars. A few days later, Usha exchanged her 8,000 PZT for 2 CAB. Usha needs to report her capital gain or loss from the disposal of crypto (PZT) in her tax return.

Usha's receipt shows she:

- used \$5,500 Australian dollars to purchase 8,000 PZT
- was charged \$5 for brokerage.

Usha's cost base is $\$5,500 + \5 , which totals \$5,505.

Usha's exchange provides a receipt for the purchase of 2 CAB, but it doesn't include prices in Australian dollars. According to her exchange records, Usha exchanged 8,000 PZT for 2 CAB on 15 July 2025 at 1:30 pm.

At the time of this transaction, the market value of 2 CAB was \$5,600 Australian dollars. Usha's capital proceeds are \$5,600.

Usha subtracts her cost base (\$5,505) from her capital proceeds (\$5,600), which results in a capital gain of \$95.

Usha is not eligible for a discount or exemption.

Usha keeps a record of her capital gain (\$95) on the disposal of her PZT to include in her 2026 tax return.

If you acquire crypto by exchanging it for other crypto, the cost base of the original crypto you disposed of in the exchange is the market value in A\$ at the time it was acquired.

Example 4: exchanging a crypto asset for another crypto asset

A few months later, Usha exchanged her 2 CAB for 0.1 BAT.

Usha's exchange records show she acquired 2 CAB on 15 July 2025 at 1:30 pm for 8,000 PZT. At the time of the transaction, the PZT had a market value of \$5,600 Australian dollars.

Usha's exchange charges her a \$10 brokerage fee to trade 2 CAB for 0.1 BAT.

Usha's cost base is $\$5,600 + \10 , which totals \$5,610.

Usha's exchange provides a receipt for the acquisition of 0.1 BAT but it doesn't include prices in Australian dollars. Usha's receipt shows she disposed of her 2 CAB for 0.1 BAT on 10 January 2026 at 2:00 pm.

At the time of this transaction, the market value of 0.1 BAT is \$7,000. Usha's capital proceeds from the exchange of 2 CAB for 0.1 BAT is \$7,000.

Usha subtracts her cost base (\$5,610) from her capital proceeds (\$7,000), which results in a capital gain of \$1,390.

Usha isn't eligible for a discount or exemption.

Usha keeps a record of her capital gain (\$1,390) on the disposal of her CAB to include in her 2026 tax return.

Capital losses

If you dispose of your crypto assets for less than it cost you, you may have a capital loss. Capital losses can be used to reduce your capital gains in the current or future income years.

Make sure you report the loss in your tax return so you have it available to offset future capital gains. For more information, see [How to work out and report CGT on crypto](#).

i This is a general summary only.

For more information, see:

- ato.gov.au/cryptoassets
- ato.gov.au/CGT

