


# ***TD 2014/25A1 - Addendum - Income tax: is bitcoin a 'foreign currency' for the purposes of Division 775 of the Income Tax Assessment Act 1997?***

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# Addendum

## Taxation Determination

### Income tax: is bitcoin a 'foreign currency' for the purposes of Division 775 of the *Income Tax Assessment Act 1997*?

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Determination TD 2014/25 to reflect the amended definition of 'foreign currency' introduced by Schedule 2 to the *Treasury Laws Amendment (2022 Measures No.4) Act 2023*.

TD 2014/25 is amended as follows:

#### 1. Table of Contents

Insert Table of Contents:

Table of Contents	Paragraph
<b>Ruling</b>	<b>1</b>
<b>Date of effect</b>	<b>2</b>
<b>Appendix – Explanation</b>	<b>4</b>
How is 'foreign currency' relevant for tax purposes?	4
<i>What is bitcoin?</i>	7
<i>Is bitcoin 'currency' under the ordinary meaning of the term?</i>	16
<i>Is bitcoin 'currency' taking into account the legislative context and purpose?</i>	26
Income tax consequences	34

#### 2. Paragraph 1

- (a) Omit 'No. '
- (b) Omit footnote 1.
- (c) After the paragraph, insert new paragraph 1A:
  - 1A. All further legislative references in this Determination are to the ITAA 1997 unless otherwise indicated.

**3. Paragraph 2**

After 'before and after its date of issue.', insert:

Schedule 2 to the *Treasury Laws Amendment (2022 Measures No. 4) Act 2023* amended the definition of 'foreign currency' to exclude digital currency (including bitcoin). These amendments took effect for income years starting 1 July 2021. This Determination applies for all income years prior to 1 July 2021.

**4. Paragraph 3**

After 'the ATO will not generally', insert 'have cause to'.

**5. Paragraph 4**

In the heading, omit '**Appendix 1 – Explanation**'; substitute '**Appendix – Explanation**'.

**6. Paragraph 7**

After 'defines bitcoin as', insert new footnote 2A:

<sup>2A</sup> Stevenson A (ed) (2010) *Oxford Dictionary of English*, 3rd edition, Oxford University Press, Oxford.

**7. Paragraph 10**

- (a) In footnote 9, omit 'etcetera'; substitute 'or other currencies'.
- (b) Omit 'ATM'; substitute 'automatic teller machine'.

**8. Paragraph 12**

Omit "public/private' key pair"; substitute "public key and private key pair".

**9. Paragraph 13**

Omit 'publically'; substitute 'publicly'.

**10. Paragraph 16**

After 'defines 'currency' as', insert new footnote 16A:

<sup>16A</sup> Pan Macmillan Australia (2025) *The Macquarie Dictionary* online, [www.macquariedictionary.com.au](http://www.macquariedictionary.com.au), accessed 26 August 2025.

**11. Paragraph 17**

After 'defined in the Macquarie Dictionary as', insert new footnote 16B:

<sup>16B</sup> Pan Macmillan Australia (2025) *The Macquarie Dictionary* online, [www.macquariedictionary.com.au](http://www.macquariedictionary.com.au), accessed 26 August 2025.

**12. Paragraph 19**

Omit the wording of the paragraph; substitute:

Gummow J further explained (footnotes omitted)<sup>19</sup>:

Section 8(1) of the *Currency Act 1965* (Cth) (“the Currency Act”) states that the monetary unit, or unit of currency, of Australia is the dollar; s 9(1), so far as is material, requires every transaction, dealing, matter or thing relating to money or involving the payment of, or a liability to pay, money to be made, executed, entered into or done according to the currency of Australia, unless the currency of some other country is used; and s 11(1) requires that every payment, unless made according to the currency of some other country, be made according to the currency of Australia.

...

In *Watson v Lee*, Mason J, with whom Gibbs J agreed, held that s 51(xii) gave the Parliament power “to control and regulate the receipt and use” in Australia of foreign currency. Barwick CJ and Stephen J (with whom Gibbs J also agreed) spoke to the same effect. By parity of reasoning, the power also supports laws to control and regulate the receipt and use of coin and paper money in Australia, being the medium of exchange in Australia.

Stephen J and Mason J also emphasised that, while “coinage” and “legal tender” involved quite specific and narrow concepts, the former being concerned with coins as money and the latter with the prescription of that which at any particular time may be a lawful mode of payment, “currency” was a broader expression. This is exemplified by the provisions of the Currency Act to which I have referred earlier in these reasons. They illustrate the proposition that currency is a universal means of exchange, designated by a particular unit of account.

**13. Paragraph 20**

In the quote, omit ‘Therefore’; substitute ‘Thus’.

**14. Paragraph 24**

Omit the last sentence of footnote 29; substitute ‘For further consideration of this issue see Bank of England 2014, [Quarterly Bulletin Q3 2014](#) – *The economics of digital currencies*, Bank of England, London, viewed 24 November 2014.’

**15. Paragraph 34**

Omit the wording of the heading; substitute ‘**Income tax consequences**’.

This Addendum applies from 1 July 2021.

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ATO references

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