

EXPOSURE DRAFT

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Inserts for
**Treasury Laws Amendment (Measures
for Consultation) Bill 2022: Taxation
treatment of digital currency**

Commencement information

Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. Schedule 1	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	
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Note: The provisions of the *A New Tax System (Goods and Services Tax) Regulations 2019* amended or inserted by this Act, and any other provisions of that instrument, may be amended or repealed by regulations made under the *A New Tax System (Goods and Services Tax) Act 1999* (see subsection 13(5) of the *Legislation Act 2003*).

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Schedule 1—Taxation treatment of digital currency

Part 1—Main amendments

A New Tax System (Goods and Services Tax) Act 1999

1 Section 195-1 (paragraph (d) of the definition of *digital currency*)

Repeal the paragraph, substitute:

(d) either:

- (i) are not denominated in any country's currency; or
- (ii) are denominated in a currency that is not issued by, or under the authority of, an *Australian government agency or a foreign government agency (within the meaning of the *Income Tax Assessment Act 1997*); and

2 Section 195-1 (definition of *digital currency*)

Omit all the words after paragraph (f), substitute:

but does not include a thing that, if supplied, would be a *financial supply for a reason other than being a supply of one or more digital units of value to which paragraphs (a) to (f) apply.

3 Section 195-1 (at the end of the definition of *money*)

Add:

; or (j) *digital currency.

A New Tax System (Goods and Services Tax) Regulations 2019

4 Subsection 40-5.09(3) (table item 9)

Omit “the currency of a foreign country”, substitute “foreign currency”.

5 Section 40-5.12 (table item 17)

Repeal the item, substitute:

- (a) Australian currency, or foreign currency, the market value of which exceeds its stated value as legal tender; or
- (b) an agreement to buy or sell currency to which paragraph (a) applies

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1 **6 Subsection 70-5.02(1) (table item 21, paragraph (a))**

2 Omit “the currency of a foreign country”, substitute “foreign currency”.

3 **7 Subsection 70-5.02(1) (table item 21, paragraph (a))**

4 Omit “the currency” (second occurring), substitute “foreign currency”.

5 **8 Subsection 70-5.02(1) (table item 22, paragraph (b))**

6 Omit “the currency of a foreign country”, substitute “foreign currency”.

7 **9 Subsection 70-5.02(1) (table item 22, paragraph (b))**

8 Omit “the currency” (second occurring), substitute “foreign currency”.

9 **10 Section 196-1.01**

10 Insert:

11 *foreign currency* means a currency other than:

- 12 (a) Australian currency; or
13 (b) currency that consists of digital units of value to which
14 paragraphs (a) to (f) of the definition of *digital currency* in
15 section 195-1 of the Act apply.

16 ***Income Tax Assessment Act 1997***

17 **11 Subsection 995-1(1)**

18 Insert:

19 *digital currency* has the same meaning as in the *GST Act.

20 **12 Subsection 995-1(1) (definition of *foreign currency*)**

21 Repeal the definition, substitute:

22 *foreign currency* means a currency other than:

- 23 (a) Australian currency; or
24 (b) *digital currency; or
25 (c) anything prescribed by the regulations for the purposes of
26 this paragraph.

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1 **Part 2—Application of amendments**

2 *A New Tax System (Goods and Services Tax)*
3 *Regulations 2019*

4 **13 In the appropriate position in Chapter 7**

5 Insert:

6 **Part 7-3—Matters relating to the Treasury Laws**
7 **Amendment (Measures for Consultation)**
8 **Act 2022**

9 **Division 225—Application of amendments**

10 **225-1.01 Application of amendments**

11 The amendments of this instrument made by Part 1 of Schedule 1
12 to the *Treasury Laws Amendment (Measures for Consultation) Act*
13 *2022 Act 2022* apply in relation to supplies or payments made on
14 or after 1 July 2021.

15 **14 Application of amendments**

- 16 (1) The amendments of the *A New Tax System (Goods and Services Tax)*
17 *Act 1999* made by Part 1 of this Schedule apply in relation to supplies
18 or payments made on or after 1 July 2021.
- 19 (2) The amendment of the definition of *foreign currency* in
20 subsection 995-1(1) of the *Income Tax Assessment Act 1997* made by
21 Part 1 of this Schedule applies in relation to:
22 (a) an income year that includes 1 July 2021; and
23 (b) later income years.