



Crypto & Digital Assets Toolkit



31%

of Australians own or have owned cryptocurrency in the last 12 months*
*Australian Independent Reserve Cryptocurrency Index 2025



The ATO uses its data matching capability to compare what is reported in tax returns with data from Australian designated service providers.

Which questions should you be asking?

Digital Assets



- Do you, or any of your related entities, own digital or crypto assets?
- Have you been involved in any transactions using DeFi, chain splits, wrapping (or unwrapping) or swapping of any digital assets?

Access



- How do you store the digital assets?
- How do you buy, sell, or transfer them? (ie peer to peer, exchange etc).

Records



For transactions (purchase, sale, transfer) involving digital assets, please provide:

- Receipts for the conversion to/from Australian dollars.
- For each transaction on the platform, the date, what the transaction was for, the other party and the value in AU\$.

Revenue



Have you received revenue or royalties from any of the following:

- DeFi platforms?
- Social media platforms or services, sites i.e., followers/ad revenue?
- Any platform or service used to host content (ie self-published books or podcasts)?

Tax Overview & Resources

Purpose	Tax Treatment
Personal Use	The longer you hold it, the more likely it will be considered an investment. In limited circumstances, where acquired for <\$10,000 and used for personal consumption, may not be subject to tax.
Investment	Considered property and likely to be subject to Capital Gains Tax.
Carrying on a business	Assessable income rules apply. Losses will be deductible (subject to integrity measures and non-commercial loss rules).
GST	Buying and selling digital currency is an input-taxed supply, and no GST is applicable. However, if you are accepting digital currency as payment, you need to report the AU\$ equivalent in your BAS.

Digital Assets Inventory

STEP has developed a comprehensive guide & templates for digital assets and records available at:

www.step.org/digital-assets-inventory

What do you search for?

- transaction or block hash
- public key
- wallet name
- address

Where can you search?

- etherscan.io
- raritysniper.com
- looksrare.org
- opensea.io
- cryptopunks.app

blockchain

a decentralised digital ledger that records all transactions, made up of blocks, of a particular crypto asset

boating accident

a phrase indicating that an owner has lost access to their crypto assets (ie similar to unintentionally losing personal belongings on a capsized boat)

chain split (or fork)

an event where the core rules of a blockchain diverge creating two or more competing versions of that blockchain (this is often temporary while the next block in the chain is mined and software upgraded)

crypto asset

a digital representation of value or rights which may be transferred and stored electronically, using distributed ledger technology or similar technology

crypto wallet

a tool that allows users to interact with blockchain networks

decentralised finance (DeFi)

a blockchain-based form of finance that is conducted without relying on a financial intermediary (peer-to-peer)

digital asset

digital material in which users have intellectual property rights, such as digital photographs, digital artwork, or written work

digital record

records that exist in digital or other electronic machine readable form and are either (i) created by or on behalf of the user, in whole or in part, or (ii) relate to the user.

distributed ledger technology

a specific configuration of technology components that records and tracks information in a 'distributed' (rather than centralised) manner

fiat currency

a currency that is issued and declared legal tender by a government

hash

a string of numbers and letters that act as an identifier for either a block or a transaction

mining

the process of compiling, verifying and confirming transactions

non-fungible token (NFT)

a record of ownership that can be used to represent an interest in any tangible or intangible asset including digital pictures, artworks, video clips, memes and items used in online games

private key

alphanumeric string of data that corresponds to a single specific wallet or public key. It is used during the creation of digital signatures and verification of transactions (similar to a password that enables access to the wallet)

public key

alphanumeric string of data which generates a public address. This can be shared with others so that crypto assets can be sent and received

seed phrase

a series of 12 to 24 random simple words generated when a wallet is first set up and assists with access recovery should a private key be lost

smart contract

a computer protocol that facilitates, verifies or enforces the terms of a contract on the blockchain without third parties

utility token

a type of crypto asset that is only intended to provide access to a good or a service supplied by its issuer

For more information

ASIC's Moneysmart has a concise summary: moneysmart.gov.au/investment-warnings/cryptocurrency.

For a range of tutorials on cryptocurrency and related topics, try: <https://academy.binance.com>.

For a more detailed explanation of cryptocurrency, try: Freakonomics podcast episodes 508-510.

For tax specific information: contact the Pilot Taxation Advisory team on (07) 3023 1300 or refer to www.ato.gov.au.

Disclaimer

This toolkit provides information of a general nature only. It is not an endorsement for any digital asset, including cryptocurrencies. There are risks involved in investing in assets of this nature and the reader should seek professional financial advice specific to their circumstances. Liability limited by a scheme approved under Professional Standards Legislation.