Crypto asset investments

What are crypto assets?

Transactions – acquiring and disposing of crypto assets

How to work out and report CGT on crypto

Crypto chain splits

Crypto asset as a personal use asset

Decentralised finance and wrapping crypto

Keeping crypto records

Crypto assets glossary

s

splits

ypto asset you receive because of a

all transactions, made up of blocks, of a

block is added to the chain. There may be a chain
re there are competing versions.

there are 2 or more competing versions of a
ng versions share the same history up to the
s diverge.

ve a new crypto asset as the result of a chain
ash received by Bitcoin holders), the value of the
ted as either:

e you rece

work out your capital gain or capital loss when
ypto asset you receive because of a chain split.
asset you receive because of a chain split

CGT discount if you hold the new crypto asset
ore disposing of it.

oto asset in carrying on a business, it may be
purposes.

plit and sale of new crypto asset

n investment on 1 August 2017, when Bitcoin

split, Alex received 10 Bitcoin Cash, in addition
usly held. There were no immediate tax

sells 2 Bitcoin Cash for $1,260. Because the
Cash is zero, he makes a total discount
the 2025–26 income year.

coin cash for more than 12 months and
ve any other capital gain or losses, he reports
scount of $630 in his tax return for 2025–26.
apital gain at his marginal income tax rate.

he new crypto asset

you need to work out which asset is the new
u need to examine the rights and relationships of
hold.

same rights and relationships as your original
uation of the original asset. Therefore, the other
ause of the chain split will be a new asset.

hange

as an investment. On 20 July 2016 the
chain split.

, Bree holds 60 Ethereum and 60 Ethereum
occurs because of a protocol change, which
s invalid for 12 million pre-split Ethereum.

s the protocol change and continues to
ing rights before the chain split. Therefore,
on the original blockchain, continuing as the

receives because of the chain split is her new
ate of Bree's post-split Ethereum is 20 July

sset after split

nay no longer exist if none of the crypto assets
lit have the same rights or relationships as the

2 CGT event happens to the original asset.
set you hold is a new asset with an acquisition
in split with a cost base of zero ($0).

uing rights or relationships

sh as an investment just before a chain split on

Bitcoin Cash on 6 April 2018 with a cost base

, Ming held 10 Bitcoin Cash ABC and
n projects had a change to the core consensus
oin Cash protocol.

n the original blockchain. Miners using the pre-
find blocks on either the ABC or SV chains.
assets is the continuation of the original

ned the original asset at the time of the chain

s to Ming’s o[illegible]al Bitcoin Cash when the
15 Novembe[illegible]8. Ming calculates a capital
equal to the [illegible]st base of his original asset.

ash ABC and 10 Bitcoin Cash SV both have an
ovember 2018 and a cost base of zero.

ownload

We acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to them, their cultures, and Elders past and present.