Crypto-asset exchanges: your records, obligations and responsibilities

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Canada Revenue Agency

What are crypto-assets?

Crypto-assets are digital assets that exist on a cryptographically secured distributed ledger. There are many types of crypto-assets, the most common being cryptocurrencies, such as Bitcoin, Ethereum and Tether. Transactions related to crypto-assets often have tax implications and must be reported.

It is important to keep proper financial records of all your activities relating to your crypto-assets. You should keep records when you buy, dispose of, or mine crypto-assets to make sure you have accurate information about your activities on crypto-asset exchanges.

What is a crypto-asset exchange?

A crypto-asset exchange is an online platform that allows a user to buy, sell and trade crypto-assets for other crypto-assets or for traditional currencies. Crypto-asset exchanges may also facilitate other crypto-asset activities, such as lending and staking arrangements. As exchanges offer their services electronically, it is also possible for Canadians to obtain services from crypto-asset exchanges located outside of Canada.

Exchanges may stop operations without notice. When an exchange stops operations, the account holder may be locked out of their account and as a result be unable to access their records.

What you should do

When filing your taxes, you have to report any income or capital gains from crypto-asset activities on your income tax return. To meet your obligations for proper record keeping, it is strongly recommended that you download and keep any information related to transactions involving your exchange accounts.

This includes, but is not limited to,

- trades (buy, sell and swap),
- transfers (deposits and withdrawals),
- staking rewards,
- yield earnings,
- wallet addresses, and
- any other transaction information.

It is important to download this information at **regular intervals** while you still have access to your account. Failure to do so may result in you being unable to access this information if an exchange stops its operations. If you are unable to access your exchange information, it will be difficult to determine your income from crypto-asset activities, or to support amounts filed should the Canada Revenue Agency (CRA) conduct an audit.

More information

You should keep detailed records of all your crypto-asset transactions. For examples of different crypto-asset records you should keep, as well as additional information on the tax obligations related to your crypto-asset activities, visit the CRA's Information for crypto-asset users and tax professionals.

Information on how to report on your tax return your income or capital gains from crypto-asset transactions can also be found in CRA guides T4037, Capital Gains, and T4002, Self-employed Business, Professional, Commission, Farming, and Fishing Income.

For general information on keeping records, visit the CRA's page on keeping records.

Associated links

- Tax Tip: What is cryptocurrency?
- Tax Tip: Investing in cryptocurrency
- Tax Tip: Mining cryptocurrency
- Tax Tip: Valuing your cryptocurrency
- Tax Tip: Keeping records of your cryptocurrency transaction

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