Cryptoassets

A “cryptoasset” refers to property that is a digital representation of value and exists only at the digital address of a distributed ledger secured by cryptography, such as a blockchain. Cryptocurrency, security tokens, non-fungible tokens, utility tokens, privacy coins and stablecoins are some examples of cryptoassets.

Although cryptoassets reproduce monetary value, we consider them **property** because they are not legal tender in Canada. They can be traded on a trading platform or peer-to-peer without going through a traditional financial system.

For income tax purposes, transactions made using cryptoassets are considered barter transactions, which are when two people agree to exchange property or services without using money.

For more information on barter tax effects, see interpretation bulletin IMP. 80-9/R1 This link will open a new tab, *Le troc* (available in French only).

Determining the tax effects of a transaction made using cryptoassets depends on the facts for each situation. In all cases, cryptoasset transactions must be reported in the *Cryptoasset Return* (form TP-21.4.39-V).

Cryptoasset Return

Since 2024, any taxpayer (individual, individual in business, corporation or trust) or partnership that owns, receives or disposes of (sells, transfers, trades, donates, etc.) cryptoassets, uses them in a transaction or receives them as rewards for mining or staking that they carried out must complete the *Cryptoasset Return* (TP-21.4.39-V) to report income (or losses) from cryptoassets that must be reported in its income tax return or information return.

This form must be sent by the deadline for filing the taxpayer's or partnership's income tax or information return for the taxation year or fiscal year concerned. If it is not filed, penalties may apply.

- Forms and Publications (1)
  - Cryptoasset Return TP-21.4.39-V

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