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The complex world of tax and cryptocurrencies

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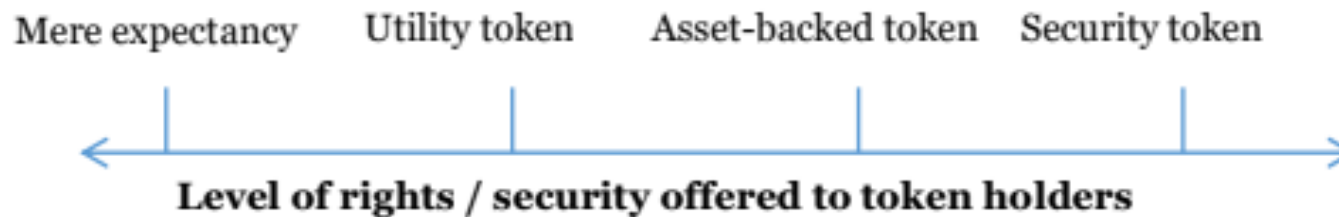
Agenda

- ❖ Introduction
- ❖ ICOs
- ❖ International taxes
- ❖ ATO focus

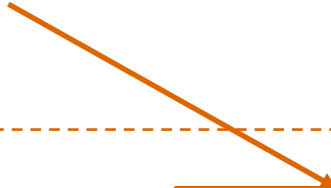


ICOs

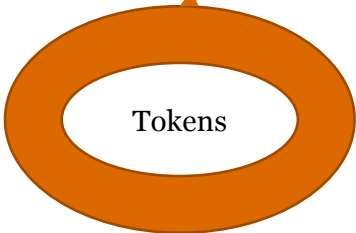
- Is it taxable?
- If so, when?
- Design: tax v legal
- Tax incentives
- Engagement with regulators



International Tax Issues



Foreign Company
in low tax
environment



Tokens

- Residency
- Controlled Foreign Company rules
- Tax Credits
- Intellectual Property – where does it sit?

ICOs

- ❖ Other considerations
 - ❖ Withholding taxes
 - ❖ GST
 - ❖ Incentives - employment taxes

ATO focus - other

- ❖ Investor v trader
 - Nature of activities
 - Repetition, volume and regularity
 - Business-like manner
 - Amount of investment

- ❖ What are the implications:
 - Deductibility of losses
 - Ability to carry forward losses

ATO focus - other

Record keeping

- Date of the transaction
- Value of cryptocurrency in AUD at the time of the transaction;
- What the transaction was for and who the other party was;
- Transaction costs associated with the buy/sell
- Crypto to crypto transactions

ATO view: Use a tool!

Key Takeaways

- ❖ Design – engage on tax early
- ❖ Stakeholder management
- ❖ Its complex...