

Hello,

As a citizen of Australia for what my feedback is worth I submit the following for consideration:

Fully **decentralized crypto** (this is primarily Proof of Work tokens - Bitcoin, Litecoin etc... That DON'T HAVE any 1 point of power) **SHOULD NOT** BE considered a foreign currency. The logic behind this is very simple.

There is no central point of control or ownership so it cannot be classified as a foreign currency as it has no nation state, or even a single controlling point of power.

They operate more "like" a commodity similar to gold or silver.

And capital gains should apply just like a commodity. They are also very straightforward as they are open source and consensus driven on any changes to the original concept.

**Partial or Centralised crypto** (virtually all Proof of Stake tokens, and tokens that have controlling foundations/single point dominance for example 1 or 2 parties holds over 51% of the network, such as the Brazilian and Chinese CBDC or examples ETH, ADA, XRP etc...).

May be on blockchain tech - "triple Ledger" accounting, but they are **highly centralised and SHOULD BE** considered foreign currency (or foreign assets in some form) as NFT's will play a role for many governments in regulation of local ownership titles, from art to houses and cars etc. These are extremely unlikely to end up on a proof of work blockchain, but highly likely on a proof of stake chain.

Or even classified in a separate status altogether?? - closer to a share or national currency.

These are all more in line with an "equity or promissory note" (even if an NFT is 100% equity by 1 stake holder it can still be split into many stake holders).

They all have controlling central powered parties that can halt, limit, or change the conditions in how they operate regardless of how the actual "public citizen" holder of these tokens wishes to transact with them or even store them.

For example many concert tickets, are deployed as NFT's to limit scalping ability. This mindset will only grow to mainstream physical items as time progresses...

I feel simplicity is probably the best path as many of these projects will end up with multiple layers or interoperability between chains without a 3rd party, so focusing on **the base layer tech** is probably the best way to regulate.

Additionally many of these majority owned cyrptos will probably die off, and have potential for the majority holders to dump or pump as well as complete rug pulls on minority token holders...

I hope that feedback is of help.

Good luck, as it's a very hard area to navigate given it is ever evolving.

Kind regards,  
Aaron Jupp