



30 September 2022

Director
Corporate Tax Unit
Corporate and International Tax Division
Treasury
Langton Crescent
Parkes ACT 2600

Email: CryptoTax@treasury.gov.au

Dear Sir/Madam,

SMSF ASSOCIATION SUBMISSION – CLARIFYING CRYPTO NOT TAXED AS FOREIGN CURRENCY

The SMSF Association welcomes the opportunity to provide this submission in response to the Government's exposure draft *Treasury Laws Amendment (Measures for Consultation) Bill 2022: Taxation Treatment of Digital Currency*. We welcome the proposed amendments and legislative certainty this will provide on the definitions of foreign currency and digital currency.

The inclusion of a regulation making power is prudent and will allow for timely updates moving forward. Given the rapid growth and evolution of products in this sphere, this will be necessary in ensuring the regulations can keep pace and continue to operate as intended.

We support the proposed retrospective application of these amendments, noting the underlying policy intent to preserve the income tax treatment of digital currencies as it applied prior to the El Salvador decree.

Digital currencies and digital assets are a rapidly growing area. They are in need of clear guidance for financial advisers, accountants and tax agents on their classification and treatment as financial products and the application of Australian tax law. We would welcome further guidance from ASIC and the Australian Taxation Office to assist professionals and the public to navigate these classes of products and provide certainty on the application the relevant laws.

If you have any questions about our submission, please do not hesitate to contact us, and we thank you again for the opportunity to provide this submission.

Yours sincerely,

John Maroney
CEO
SMSF Association



ABOUT THE SMSF ASSOCIATION

The SMSF Association is the peak body representing the self-managed superannuation fund (SMSF) sector which is comprised of over 1.1 million SMSF members and a diverse range of financial professionals. The SMSF Association continues to build integrity through professional and education standards for practitioners who service the SMSF sector. The SMSF Association consists of professional members, principally accountants, auditors, lawyers, financial advisers, tax professionals and actuaries. Additionally, the SMSF Association represents SMSF trustee members and provides them with access to independent education materials to assist them in the running of their SMSF.