

Australia says Bitcoin not taxable as currency

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Crypto-currencies such as Bitcoin should not be considered as money or a foreign currency when it comes to taxation, Australia's tax authority ruled Wednesday.

In guidance designed to help people finalise their [tax returns](#), the Australian Tax Office said Bitcoins were a form of property,

disappointing those hoping they would be seen as a [currency](#).

The decision follows a similar move by the US Inland Revenue Service in March.

"Transacting with Bitcoins is akin to a barter arrangement," the Australian Tax Office said in its guidance.

"The ATO's view is that Bitcoin is neither money nor a foreign currency, and the supply of Bitcoin is not a financial supply for goods and services tax purposes. Bitcoin is, however, an asset for capital gains [tax](#) purposes."

The move disappointed the Australian digital currency industry, which said treating the supply of Bitcoins the same way as the exchange of a commodity meant they would be subject to a 10 percent Goods and Services Tax (GST).

Ron Tucker from the Australian Digital Currency Commerce Association said the move could send industry innovation overseas to places such as Singapore and Hong Kong.

Bitcoin—a virtual payment system launched in 2009 that can be used to pay for [goods](#) from a computer or mobile device—is not currently subject to legislation.

Several countries have warned users of the risks associated with Bitcoin, such as their susceptibility to fraud because of the difficulty of tracing transactions.

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