Event	What is it?	What triggers taxation	How is the tax calculated?
Exchanging a cryptocurrency for another cryptocurrency.	Selling one cryptocurrency to acquire another. Eg. You currently own Bitcoin and use it to buy Ethereum.	The cryptocurrency being used to buy the other cryptocurrency is sold. The sale is transaction that is taxed.	Value of the sold cryptocurrency at the time of sale, less the cost of the cryptocurrency when it was acquired.
Investing in cryptocurrency (including trading).	Buying cryptocurrency with the intention of selling it for gain. Eg. You buy Litecoin and Ripple today. Tomorrow you sell Ripple to make a gain and hold Litecoin for a few months in anticipation that it increases in value.	The sale of a cryptocurrency.	Value of the sold cryptocurrency at the time of sale, less the cost of the cryptocurrency when it was acquired. If the sold cryptocurrency was held for 12 months or more, you may be entitled to a CGT discount.
Staking rewards	Holding cryptocurrency for a reward. The reward is often extra tokens, for free. Eg. Similar concept to holding cash in a bank and earning interest.	Receipt of the reward.	Value of the reward is taxed as ordinary income.
Airdrops	Being gifted cryptocurrency/tokens. Caused by cryptocurrency fork, freebies, Initial Coin Offerings, etc. Eg. You currently own Bitcoin. The Bitcoin chain	Receipt of new tokens.	Value of the tokens is taxed as ordinary income.

Event	What is it?	What triggers taxation	How is the tax calculated?
	forks and a new chain is created, Bitcoin Cash. You may receive free Bitcoin Cash tokens as a gift/compensation, etc.		
Using for personal purchases/sales.	Use of cryptocurrency to acquire services/products for personal use. Eg. You purchase items for the kitchen on the internet using Bitcoin, instead of credit card.	At time of disposing the cryptocurrency, an assessment needs to be made if it was used as a personal asset. If cryptocurrency is used for the following it will not be personal use and will be taxed: - As an investment. - In a profit-making scheme; or - In the course of carrying on a business. Consideration muse also be made to how long the cryptocurrency was held, portion of its use, other uses for it, etc.	Capital gains or losses that arise from disposal may be disregarded if cryptocurrency was used as a personal asset.
Loss or theft of cryptocurrency.	Cryptocurrency is lost or stolen. Eg. You own crypto currencies and they are stored in a crypto wallet. You accidentally lose you're your private key (usually a string of numbers and letters) that accesses your wallet. With no private key the cryptocurrency is lost.	Loss of your cryptocurrency private key or your cryptocurrency is stolen.	The cost of acquiring the cryptocurrency. There are several items of evidence required to substantiate the loss/theft.

Event	What is it?	What triggers taxation	How is the tax calculated?
Chain splits.	When a blockchain splits into two competing versions that share the same history and you are given new tokens. Eg. Similar to example in airdrop above. You may own Ethereum and it splits into Ethereum Classic. You are then gifted free Ethereum Classic tokens.	Held for investment: Sale of the cryptocurrency. Held for business use: Trading in the ordinary course of business.	Held for investment: • Value of the sold cryptocurrency at the time of sale, less the cost of the cryptocurrency when it was acquired. Held for business use: • Same as trading stock where it's held for sale or exchange in the ordinary course of business.
Use cryptocurrency in business.	Use and hold cryptocurrency for sale or exchange in the ordinary course of your business. Eg. You are in the business of trading crypto currencies with the intention of making profits. Or you may accept cryptocurrency as payments for goods/services you offer.	Sale and acquisition of cryptocurrency held as trading stock.	Proceeds from sale are treated as ordinary income. Cost of acquiring cryptocurrency is deductible.
Crypto mining	Use your existing or specialised computer setup to mine cryptocurrency. The computer processes complex mathematical tasks that contribute to the validation of the blockchain, the backbone	Proceeds received from your mining rig or a mining service will be taxed as ordinary income. Eventual sale of the cryptocurrency received will have CGT.	Proceeds from sale are treated as ordinary income. Cost of acquiring cryptocurrency is deductible. Value of the sold cryptocurrency at the time of sale, less the cost of the cryptocurrency when it was acquired.

Event	What is it?	What triggers taxation	How is the tax calculated?
	of cryptocurrency. As a reward for your mining, you are given cryptocurrency tokens. You may mine using your own rig or provide your rig to a mining service for them to use it to mine. Eg. You have an existing gaming computer with a powerful graphics card (GPU). You use it to mine Bitcoin. Your payment		If the sold cryptocurrency was held for 12 months or more, you may be entitled to a CGT discount

Source: Derived from the Australian Taxation Office website, as at 17 May 2021.