



Australian Government

Australian Taxation Office

Legislative Instrument

Goods and Services Tax: Digital Currency Conversion Determination 2019

I, Timothy Dyce, Deputy Commissioner of Taxation, make this determination under [subsection 9-85\(2\)](#) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act).

Signed by Timothy Dyce

Deputy Commissioner of Taxation

Dated: 8 February 2019

Name of determination

1. This determination is the *Goods and Services Tax: Digital Currency Conversion Determination 2019*.

Commencement

2. This determination applies on the day after it is registered.

Application

3. This determination applies to an entity that in working out the value of a taxable supply that has any amount of consideration for the supply expressed in digital currency. That amount must be converted into Australian currency using the method in section 4.

Manner in which an amount of consideration for the supply is worked out

4. You must convert the amount of consideration expressed in digital currency using the following formula:

Amount of digital currency x your particular exchange rate on the conversion day

You must use your particular exchange rate consistently.

Other than an agreed rate, your particular exchange rate must reflect the GST inclusive market value of the digital currency in Australian currency.

Definitions

5. The following expressions are defined for the purposes of this determination:

agreed rate means a particular exchange rate agreed to between a supplier and a registered recipient. The agreed rate only applies for supplies made under the agreement and for the period of the agreement. Where the supplier and the recipient are associates the agreed rate must reflect the rate agreed to by parties dealing at arm's length.

conversion day is the date you use to convert digital currency into Australian currency under this determination:

- (a) when you account for GST on a basis other than cash your conversion day is **the earlier of**:
 - (i) the day on which any of the consideration is received for the supply (the receipt date); or
 - (ii) the transaction date or the invoice date (whichever you have chosen).
- (b) when you account for GST on a cash basis, your conversion day is:
 - (i) the transaction date; or
 - (ii) the invoice date; or
 - (iii) the day on which any of the consideration is received for the supply.
- (c) if you are a non-resident that is not a limited registration entity, and you are making inbound intangible consumer supplies, offshore supplies of low value goods, or both, your conversion day is:
 - (i) a day specified in either paragraphs (a) or (b) of this definition for any types of supplies that you make (including inbound intangible consumer supplies or offshore supplies of low value goods); or
 - (ii) for all of your inbound intangible consumer supplies, all of your offshore supplies of low value goods, or both:
 - A. the final day of the relevant tax period in which GST is payable (in which case, the conversion day for your other types of supplies is the day specified in either paragraphs (a) or (b) of this definition); or
 - B. the earlier of the day on which you lodge your activity statement for a tax period or the due date for lodgement of that activity statement (in which case, the conversion day for your other types of supplies is the day specified in either paragraphs (a) or (b) of this definition).
- (d) if you are a non-resident that is a limited registration entity, your conversion day for all of your supplies is:
 - (i) a day specified in either paragraphs (a) or (b) of this definition; or
 - (ii) the final day of the relevant tax period in which GST is payable on your supplies; or
 - (iii) the earlier of the day on which you lodge your activity statement for a tax period or the due date for lodgement of that activity statement.

digital currency exchange means an entity that provides trading platform/exchange for sellers and/or buyers of digital currency and provides exchange rates publicly.

digital currency website means a website that provides exchange rates publicly, without providing trading platform/exchange.

exchange rate means the unit of digital currency in Australian dollars or the unit of digital currency in foreign currency.

foreign currency means a currency other than Australian currency.

your particular exchange rate is:

- (a) If the exchange rate is quoted in Australian currency, the rate from a digital currency exchange, or a digital currency website, or the agreed rate, whichever you have chosen.
- (b) If the exchange rate is only quoted in foreign currency:

Step 1

Choose an exchange rate with an amount expressed in a foreign currency from a digital currency exchange, or a digital currency website, or the agreed rate.

Step 2

On the same day, convert the amount expressed in foreign currency (from Step 1) into Australian currency using the formula at paragraph 5 of [Goods and Services Tax: Foreign Currency Conversion Determination 2018](#).

transaction date means the date you use for digital currency conversion in your accounting system.

- 6. All other expressions in this Determination have the same meaning as in the GST Act.