

From: Sam Irwin
Sent: Monday, 12 September 2022 1:19 PM
To: Tax Digital Assets
Subject: Review of the Tax Treatment of Digital Assets and Transactions

Hello,

Please see below my personal view on the following question.

9. What changes, if any, should be made to Australia's taxation laws in relation to crypto assets, whilst maintaining the integrity of the tax system? If changes are required, please specify the reasons.

I would look at following Belarus's approach and creating a tax-free exemption on Crypto for 12-18 months. This would do two things, help position Australia to thrive in the world of the growing digital economy, and also give a buffer of time to create robust and adaptable tax laws in relation to crypto and keep the integrity of the tax system.

This is taking the view that if the digital economy in Australia can position itself as a world leader in the next 12-18th months, Australia will be well positioned to repeat the benefits over the next 5-year to 10-year period as digital assets, blockchain and web3 infrastructure becomes widely adopted and essential across many applications.

Belarus took a very unique approach to cryptocurrencies back in 2018. Instead of creating crypto tax laws like many other countries, in March 2018 the Eastern European state legalized crypto activities and exempted all individuals and businesses from crypto tax until 2023. As such - all crypto activities - including activities like mining and day trading - are viewed as personal investments, which makes them exempt from both Income Tax and Capital Gains Tax. This unusual law was created to bolster Belarus' digital economy - and it's up for review in 2023. So while Belarus is currently a crypto tax haven - this might not be the case after the 2023 review.

Thanks,
Sam

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We acknowledge we are situated on Noongar land, and that Noongar people remain the spiritual and cultural custodians of their land, and continue to practise their values, languages, beliefs and knowledge. We pay our respects to the traditional owners of the lands on which we live and work across Western Australia and Australia.

