

# Australia to treat bitcoin as fiat money



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Bitcoin to be treated as regular currency by Australian Senate Committee

According to the report published by the government of Australia, a Senate Economics References Committee review has recommended to treat digital currencies in Australia as fiat currency transactions for the purposes of the Goods and Services Tax.

The report, titled Digital Currency – Game Changer or Bit Player, states, “The committee is of the view that digital currency should be treated as money for the purposes of goods and services tax.

As such, the committee recommends that the government consults with the states and territories to consider amending the definition of money in the A new Tax System (Goods and Services tax) Act 1999 and including digital currency in the definition of financial supply in A New Tax System ( Goods and Services Tax) Regulations 1999.”

Among the ones who made submissions to the committee, which was conducted by Senator Sam Dastyari included Perianne Boring, president and founder of the Chamber of Digital Commerce and Ronald Tucker, chairman at the Australian Digital Currency Commerce Association.

Senator Sam Dastyari stated, “ The opportunities for trade, investment, high salaries and world- leading skills are far more important [than any potential loss of revenue], and I urge the states to work with the Commonwealth to make what amounts to simple change.

Without a doubt, the main benefit will be the confidence and certainty that removing a GST will provide to our own digital entrepreneurs, and the foreign businesses who want to set up here.

The Treasury ministers need to work with the states to make the changes necessary to bring our legislation into the 21st century. ”

CoinJar, an Anglo- Australian bitcoin exchange, the Bitcoin Association of Australia were also among the 48 organizations that that submitted information.

This recommendation depicts an important shift from a previous ruling by the Australian Taxation Office, which has stated that digital currencies were “ intangible assets” and should be taxed as such.

Ronald Tucker stated, “ The Australian Taxation Office’s paper has unfortunately taken the position to treat bitcoin supply transactions the same way as an exchange of a commodity; something that would involve the costly and impractical imposition of GST on every single bitcoin transaction.”

On March 2015, Ronald Tucker along with Lee White, Chartered Accountants Australia & New Zealand; Leon- Gerard Vandenberg and Anthony Klein, the senior Tax partner at PwC took part in a debate where they discussed about the Australian banks and financial institutions to have a unique chance to be involved in the revolutions of the financial services.

Ronald Tucker stated, “ With over 2 billion people without bank accounts, digital currency and the platform it uses could directly enable them to trade

using a digital currency such as Bitcoin and a payment system that is instantaneous and low cost. All they will need is a mobile phone.”