

Tax Summary



BTC Markets Pty Ltd
ACN 164 093 887 | ABN 45 164 093 887
www.btcmarkets.net

Report Period:	1 July 2020 to 30 June 2021
Statement Date:	23 November 2021
Account Number:	100145738
Account Holder:	The Trustee for Greg Simon Super Fund SMSF
Account Address:	1 36 Alcorn Street Suffolk Park NSW 2481 Australia
CGT Calculation Method:	FIFO
Tax Residency status:	Australian Resident

This document has been prepared by BTC Markets Pty Ltd ABN: 45164093887 based on its understanding of current Australian tax laws and guidance from the Commissioner of Taxation as at 30 June 2021. Taxation laws and guidance may be subject to change. You should seek professional tax advice on your situation before making any decision based on this information or relying on this information to meet your tax compliance and reporting obligations. BTC Markets is not a registered tax agent, a registered BAS agent or a registered tax (financial) adviser under the Tax Agent Services Act 2009. The information provided does not take account of your personal financial or taxation situation or needs. You should also consider obtaining professional financial advice relevant to your personal circumstances before investing or dealing in digital assets.

For further information on your tax reports, please see our help article Understanding My BTC Markets Tax Reports <https://support.btcmarkets.net/hc/en-us/articles/4405070906265-Understanding-My-BTC-Markets-Tax-Reports>.

Estimated Taxable Events

The table below provides a summary of the estimated taxable gain or loss (from transactions made on your BTC Markets account), and any estimated taxable income (from rewards and airdrops) for the financial year (1 July 2020 to 30 June 2021).

No transactions occurred for this report during the financial year.

Wallet Balances at 30 June 2021

The table below provides a snapshot of your account holdings as at 30 June 2021.

Asset	Volume	Value (AUD)
BTC	1.16452947	\$53598.05112148
AUD	0.00020121	\$0.00020121
Total (AUD):		\$53598.05132269

Transaction History

The table below provides a list of all the transactions on your BTC Markets account for the financial year (1 July 2020 to 30 June 2021).

Date	Transaction Id	Transaction Type	Asset	Volume	Price (AUD)	Fees (AUD)	Net Value (AUD)
21/01/2021 23:08:32	7439681271	Buy Order	BTC	0.3666040 8	\$41000	\$127.7613715 7	\$15158.5286515 7
21/01/2021 23:08:32	7439681289	Buy Order	BTC	0.24414738	\$41000	\$85.0852618 2	\$10095.1278418 2
21/01/2021 23:08:32	7439681365	Buy Order	BTC	0.1	\$41000	\$34.849959	\$4134.849959
21/01/2021 23:08:32	7439681410	Buy Order	BTC	0.0873427 9	\$41000	\$30.4389265	\$3611.4933165
03/02/2021 17:59:22	7521024801	Buy Order	BTC	0.1843104	\$47976.2599999 8	\$57.4763154 3	\$8899.9999865 3
08/03/2021 18:16:16	7768939734	Buy Order	BTC	0.002	\$65200	\$1.10839869	\$131.50839869
08/03/2021 18:17:11	7768944608	Buy Order	BTC	0.001	\$65200	\$0.55419934	\$65.75419934
08/03/2021 18:17:11	7768944652	Buy Order	BTC	0.001	\$65200	\$0.55419934	\$65.75419934
08/03/2021 18:19:24	7768956216	Buy Order	BTC	0.083	\$65200	\$45.9985458 8	\$5457.5985458 8
08/03/2021 18:19:48	7768958334	Buy Order	BTC	0.0483525 7	\$65200	\$26.7969627 6	\$3179.38452676
06/05/2021 10:00:27	8164983970	Buy Order	BTC	0.0035293 3	\$74200	\$2.22594581	\$264.10223181
06/05/2021 10:00:54	8164986250	Buy Order	BTC	0.0432429 2	\$74200	\$27.27327755	\$3235.89794155

Running Balance (Grouped by Asset)

The table below provides a list of all the transactions and related changes to your BTC Markets wallet balances for each asset held during the financial year (1 July 2020 to 30 June 2021).

Date	Transaction Id	Transaction Type	Asset	Opening Balance	Volume (In)	Volume (Out)	Closing Balance
21/01/2021 23:08:32	7439681271	Buy Order	BTC	0	0.36660408		0.36660408
21/01/2021 23:08:32	7439681289	Buy Order	BTC	0.36660408	0.24414738		0.61075146
21/01/2021 23:08:32	7439681365	Buy Order	BTC	0.61075146	0.1		0.71075146
21/01/2021 23:08:32	7439681410	Buy Order	BTC	0.71075146	0.08734279		0.79809425
03/02/2021 17:59:22	7521024801	Buy Order	BTC	0.79809425	0.1843104		0.98240465
08/03/2021 18:16:16	7768939734	Buy Order	BTC	0.98240465	0.002		0.98440465
08/03/2021 18:17:11	7768944608	Buy Order	BTC	0.98440465	0.001		0.98540465
08/03/2021 18:17:11	7768944652	Buy Order	BTC	0.98540465	0.001		0.98640465
08/03/2021 18:19:24	7768956216	Buy Order	BTC	0.98640465	0.083		1.06940465
08/03/2021 18:19:48	7768958334	Buy Order	BTC	1.06940465	0.04835257		1.11775722
06/05/2021 10:00:27	8164983970	Buy Order	BTC	1.11775722	0.00352933		1.12128655
06/05/2021 10:00:54	8164986250	Buy Order	BTC	1.12128655	0.04324292		1.16452947

Blockchain Transactions

The table below provides a list of the blockchain IDs for all cryptocurrency deposits and withdrawals for the financial year (1 July 2020 to 30 June 2021). Note that only withdrawals will have 'To Wallet' data.

No transactions occurred for this report during the financial year.

Disclaimer

General

1. This Taxation Summary Report (Report) has been produced for you on the basis that you:
 - a. are a Self-Managed Superfund (SMSF);
 - b. are an Australian resident for Australian tax purposes; and
 - c. have been undertaking digital asset activities on BTC Markets as an Investor only in accordance with your SMSF Trust Deed, SMSF Investment Strategy and the Superannuation Industry (Supervision) Act 1993 (SISA) and Superannuation Industry (Supervision) Regulations 1994 (SISR) and is based on the details you entered when creating your BTC Markets account.

If you are not an Australian resident for tax purposes, you may be a temporary resident or foreign resident and should seek professional advice regarding your liability to pay tax and comply with tax obligations in Australia with respect to your digital asset dealings through BTC Markets.

2. Where an SMSF undertakes digital asset activities on other digital currency exchanges and/or blockchain networks, this Report is provided to assist customers of BTC Markets in complying with their Australian tax reporting and record-keeping obligations but will not reflect all activity that would be reflected if the SMSF solely used BTC Markets to undertake its cryptocurrency activities.
3. This Report is a guide only and is not a complete statement of the relevant tax law, nor does it take account of the SMSF's specific circumstances (particularly digital asset activities the SMSF may have undertaken on other digital currency exchanges and/or directly via blockchain networks). Nothing in this Report should be considered as legal, accounting or tax advice. Accordingly, we recommend that you seek independent, professional tax advice about the tax implications of the SMSF's digital asset activities in the SMSF's specific circumstances.
4. This Report has been produced from advice from Mills Oakley, based on their interpretation of the Australian tax laws at 23 August 2021, including applicable case law, published private rulings by the ATO and published web guidance by the ATO, which may be subject to change with either retrospective or prospective impact. In particular, the ATO has published web guidance on the Tax treatment of digital assets in Australia specifically bitcoin, available at this link: <https://www.ato.gov.au/General/Gen/Tax-treatment-of-crypto-currencies-in-Australia---specifically-bitcoin/> and for SMSFs investing in digital assets, available at this link: <https://www.ato.gov.au/Super/Self-managed-super-funds/In-detail/SMSF-investing/SMSF-investing-in-cryptocurrencies/>. The ATO's web guidance is provided merely for reference purposes only and with emphasis that the web guidance is not binding on the ATO. The Australian tax treatment of digital assets is subject to some uncertainty as digital assets are a relatively new asset class and many tax concepts as applied to digital asset activities remain untested.
5. All amounts prefaced with a "\$" are denominated in Australian dollars.
6. Other than where you have been prompted to enter information on the BTC Markets website, this Report does not consider the impact of your non-BTC Markets digital asset activities, nor does it calculate the tax implications for digital asset activities you undertake on other digital currency exchanges and/or blockchain networks.
7. Your self-assessed tax characterisation as an Investor may not be accurate if you have undertaken digital asset activities on other digital currency exchanges and/or directly via blockchain networks. You are responsible for verifying the accuracy of your tax characterisation as an Investor, as well as keeping appropriate records to accurately determine your Australian tax position and comply with your tax obligations each income year. Accordingly, we recommend that you provide this Report to your registered tax agent and SMSF auditor who can advise you as to the appropriate use of the information contained in this Report in preparing your SMSF Annual Return and meeting your tax obligations.
8. It is possible for a Trader to hold a portion of their digital assets as investments; and likewise, for an Investor to use a portion of their digital assets as trading stock. In such cases, accurate and contemporaneous record keeping is essential to demonstrate that a split portfolio is being maintained. Taxing events are applicable when a CGT asset you hold starts to become an item of trading stock and vice versa and the tax treatment of digital asset activities of an Investor differs to the tax treatment of digital asset activities of a Trader.

Tax assumptions regarding BTC Markets transactions

9. A number of assumptions have been made regarding how each type of BTC Markets transaction is treated for Australian tax purposes in generating this Report. Where possible, the assumptions are based on applicable case law principles and published web guidance by the ATO, which may be subject to change with either retrospective or prospective impact. In some cases, no guidance is available, and a pragmatic view has been taken.

The assumptions are as follows:

- a. Deposit of Australian dollars
The deposit of Australian dollars in your BTC Markets account is not treated as a taxing event. As such, no CGT cost base is set in relation to the deposit of Australian dollars in your BTC Markets account.
- b. Deposit of a digital asset (Transfers In)
By default, BTC Markets sets the CGT cost base of a digital asset transferred into your BTC Markets wallet at the market rate (as per BTC Markets exchange rates) at the time of receipt by BTC Markets and the date of acquisition of the digital asset as the date of receipt by BTC Markets. Your actual CGT cost base and original date of acquisition will most likely be different.
- c. Acquisition of a digital asset with Australian dollars
The Australian dollar amount paid to acquire a digital asset will be treated as the CGT cost base of your digital asset.

BTC Markets Maker and Taker fees charged on acquisition will be added to the CGT cost base of your digital asset.

- d. Acquisition of digital assets with other digital assets
The acquisition of a digital asset (the second digital asset) with another digital asset (the first digital asset) is treated as a disposal of the first digital asset and an acquisition of the second digital asset.

The disposal of the digital asset is a CGT event, which requires you to work out whether a capital gain or capital loss has been made. A capital gain arises if capital proceeds received are greater than the CGT cost base of the digital asset. A capital loss arises if capital proceeds received are less than the reduced CGT cost base of the digital asset.

The Australian dollar value of the first digital asset at the time of the transaction is treated as the amount of capital proceeds received when working out whether you have made a capital gain or capital loss. All digital assets listed on BTC Markets are supported by an Australian dollar trading pair. As such, the BTC Markets Australian dollar trading pair exchange rate for the first digital asset will be automatically applied to calculate the capital proceeds received on disposal of the first digital asset.

The Australian dollar value of BTC Markets Maker and Taker fees charged on disposal will be added to the CGT cost base of your digital asset. Maker and Taker fees for digital asset to digital asset transactions are charged in the first digital asset. As such, the BTC Markets Australian dollar trading pair exchange rate for the first digital asset will be automatically applied to calculate the Australian dollar value of fees charged.

For each disposal of a digital asset, you are able to select the CGT calculation method as either: FIFO (first-in first-out) or LIFO (last-in first-out).

The CGT cost base for the second digital asset will be recorded as equal to the Australian dollar amount of capital proceeds received for the first digital asset.

- e. Disposal of a digital asset for Australian dollars
The disposal of a digital asset is a CGT event, which requires you to work out whether a capital gain or capital loss has been made. A capital gain arises if capital proceeds received are greater than the CGT cost base of the digital asset. A capital loss arises if capital proceeds received are less than the reduced CGT cost base of the digital asset.

The Australian dollar amount received on disposal of a digital asset is treated as the amount of capital proceeds received when working out whether you have made a capital gain or capital loss.

BTC Markets Maker and Taker fees charged on disposal will be added to the CGT cost base of your digital asset. Maker and Taker fees are charged in the digital asset that is being disposed of. As such, the BTC Markets Australian dollar trading pair exchange rate for the digital asset will be automatically applied to calculate the Australian dollar value of fees charged.

For each disposal of a digital asset, you are able to select the CGT calculation method as either: FIFO (first-in first-out) or LIFO (last-in first-out).

- f. Withdrawal of Australian dollars
The withdrawal of Australian dollars from your BTC Markets account is not treated as a taxing event and no CGT consequences should arise in relation to the withdrawal of Australian dollars from your BTC Markets account.
- g. Withdrawal of a digital asset (Transfers Out)
The withdrawal of a digital asset from your BTC Markets wallet to an external wallet that you own beneficially is not treated as a taxing event. The withdrawal of a digital asset from your BTC Markets wallet to an external wallet that someone else beneficially owns is treated as a taxing event.

- 10. BTC Markets assumes that you are not registered for GST or required to be registered for GST. As such, the GST inclusive amount of BTC Markets Maker and Taker fees is included in the CGT cost base of your digital asset.
- 11. BTC Markets assumes that all digital assets listed on BTC Markets meet the definition of 'digital currency' for GST purposes, or otherwise should be treated as GST-free financial supplies. As such, the disposal of digital assets on BTC Markets should be treated as equivalent to money and should not give rise to GST consequences with respect to the digital asset supplied (noting that GST is applicable to the BTC Markets Maker and Taker fees). The GST definition of 'digital currency' is relatively new and subject to some uncertainty. To the extent that the ATO considers that GST applies to the underlying supply of the digital asset disposed of on BTC Markets, then you are liable to pay any amount of GST (and applicable interest and penalties) applicable to the ATO. BTC Markets will not be responsible for GST for which you may be liable to collect and remit to the ATO. Accordingly, we recommend that you seek independent, professional tax advice specific to your circumstances.

Hard Forks (sometimes referred to as Chain Splits)

- 12. Under current ATO web guidance, a taxpayer that receives new digital asset from a Chain Split event does not derive ordinary income or a capital gain as a result of receiving the new digital asset, the new digital asset has a CGT cost base of zero and the original digital asset retains its original CGT cost base. The tax treatment of Hard Forks is a complex area of the law and overseas authorities (e.g. Her Majesty's Revenue & Customs in the United Kingdom) have differing views on the tax treatment of Hard Forks.
- 13. This Report adopts a tax treatment of Hard Forks that aligns with the current ATO web guidance, such that no gain will be calculated on the deposit of the new digital asset into your BTC Markets wallet and a CGT cost base of zero will be recorded for the new digital asset. The date of acquisition of the new digital asset will be treated as the date the new digital asset is deposited into your BTC Markets wallet.
- 14. Where you hold a digital asset in your BTC Markets wallet just before the Hard Fork, you will receive the new digital asset into a BTC Markets wallet that you control if, after BTC Markets has reviewed the new digital asset, BTC Markets decides to list and support trading of the new digital asset on BTC Markets.

Airdrops

- 15. Under current non-binding ATO web guidance, a taxpayer that receives a digital asset as an airdrop should include the Australian dollar value of the digital asset at the time the airdropped digital asset is received in their assessable income. The cost base of airdropped digital assets is also set at the market value of the digital asset at the time received. The ATO web guidance uses the language that 'The money value of an established token received through an airdrop is ordinary income of the recipient at the time it is derived'.
- 16. This Report adopts a tax treatment of airdrops that aligns with the current ATO web guidance outlined above, such that airdrops will only be permitted for digital assets that are already listed on BTC Markets and BTC Markets will record the market value of the digital asset at the time it is received into your BTC Markets wallet. However, not all airdrops are the same and you are responsible for seeking independent, professional advice about your circumstances.

SMSF Assumptions

- 17. In generating this Report, BTC Markets assumes the following:
 - a. Your digital asset activities have been undertaken in accordance with your SMSF Trust Deed, SMSF Investment Strategy and SISA and SIRA regulatory requirements. You remain responsible for ensuring your compliance with your SMSF Trust Deed, SMSF Investment Strategy and SISA and SIRA regulatory requirements.
 - b. For the purpose of calculating member balances at 30 June each year, on 1 July of each year BTC Markets will generate fair market values of your digital assets at the BTC Markets closing exchange rates on 30 June of that year for each type of digital asset you hold at the end of the income year. You remain responsible for ensuring the digital asset is valued in accordance with the ATO valuation guidelines, available at this link:
<https://www.ato.gov.au/Super/Self-managed-super-funds/In-detail/SMSF-investing/SMSF-investing-in-cryptocurrencies/>.

No Responsibility

18. BTC Markets does not warrant or otherwise guarantee the accuracy or completeness of assumptions made regarding how each type of BTC Markets transaction is treated for Australian tax purposes or the accuracy or completeness of amounts produced in this Report and do not accept liability for any loss arising from using this Report. Accordingly, we recommend that you seek independent professional advice regarding your use of this Report.
19. BTC Markets do not accept any responsibility for verifying the accuracy of information about digital asset activities you have undertaken on other digital currency exchanges and/or blockchain networks that you choose to enter into outside of BTC Markets.
20. Whilst every effort has been made to ensure the assumptions and calculations underlying this Report are correct, BTC Markets accepts no liability for errors or omissions in assumptions or calculated figures. We reserve the right to remedy any errors or omissions that may be present in this Report. If you find an error or omission in this Report, please advise us immediately.