

# Digital Assets - Crypto - Statement

## What are you announcing?

- We are releasing a statement on the future for digital assets in a second term of Labor government.
- We are also releasing a Board of Taxation (BoT) review of the tax treatment of digital assets.
- The statement sets out how we plan to foster innovation in the industry and make Australia a leader in digital assets, while making sure consumers are protected
- The BoT review confirms that digital assets can already be accommodated under existing tax law.

## Why are you announcing it?

### *Statement*

- We're backing the crypto and digital asset industry.
- We're developing a fit for purpose digital asset legislative regime that encourages investment, innovation and growth.
- This is about providing certainty and security:
  - Certainty for the digital asset industry and investors, so that they can innovate and invest in Australia with piece of mind.
  - Security for consumers and everyday investors, so they can use digital assets with confidence.

### *BoT Review*

- We're releasing the Review to provide certainty to holders of digital assets of how the law applies.

## What's in the statement?

- The Statement outlines the four key pillars of our approach to digital assets:
  - a legislative framework for Digital Asset Platforms (DAPs).
    - : DAPs are the most common method through which consumers buy and sell digital assets.
  - a legislative framework for payment stablecoins, under the Government's Payments Licensing Reforms.

- : Stablecoins are crypto coins backed by a real world asset, like gold or a national currency. ANZ and NAB have experimented with AUD-backed stablecoins.
- A review of Australia’s Enhanced Regulatory Sandbox environment to ensure it is fostering innovation.
- : The sandbox allows financial services business to experiment with products without needing a licence.
- A suite of initiatives to investigate ways to safely unlock the potential benefits of digital asset technology.

### What are the benefits of digital assets?

- Digital assets are a rapidly evolving part of the economy, offering opportunities for new products and productivity gains.
- The potential benefits of these assets are far reaching, from streamlining payments systems to transforming how we invest and do business.
- We know that digital assets represent big opportunities for our economy, financial sector, payments industry and capital markets.

### What are the legislative requirements that will apply to Digital Asset Platforms?

- Operators of DAPs will be required to obtain Australian Financial Services Licences.
- These licences require businesses to comply with well-understood ‘general obligations’ imposed on all financial service providers (e.g. providing services honestly, fairly, and efficiently; avoiding conflicts of interest; and meeting minimum capital adequacy).
- Digital asset businesses holding customer funds will have to meet rules to safeguard these assets.

### What about protections for consumers?

- The Australian Financial Services Licencing regime will provide protections for consumers of digital assets by ensuring DAP providers:
  - meet high standards of governance and risk management;
  - safeguard customers’ assets; and

- maintain internal dispute resolution practices for customer complaints and become members of the financial services ombudsman – the Australian Financial Complaints Authority.

#### How does this interact with ASIC's work on Infosheet 225?

- Feedback from ASIC's consultation will help inform the proposed DAP and stablecoin licencing reforms.
  - ASIC is currently considering stakeholder feedback on its proposed updates to Information Sheet 225 (INFO 225).

#### What are the next steps?

- Exposure draft of legislation for Digital Asset Platforms (DAPs) will be released in 2025 for feedback from industry and the public.
- We expect to introduce legislation to Parliament in 2025.
- Reforms, when legislated, will be phased in overtime to minimise disruption to existing businesses and ensure we align with international best practice.
- We are working with the regulator – ASIC – to ensure the transition to the new regime is smooth.