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Keeping records of your cryptocurrency transaction

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Canada Revenue Agency

What is cryptocurrency?

A cryptocurrency is a type of virtual asset that is protected using cryptography. It typically uses a system called a blockchain to record and keep a history of transactions. Cryptocurrencies, such as Bitcoin and Ether, are independent, meaning they do not rely on governments, central banks, or other central authorities for backing. You can obtain cryptocurrency in many ways, and new methods are being developed all the time. You can use cryptocurrencies for a wide range of activities, such as buying goods, paying bills, or investing. Transactions involving cryptocurrencies often have tax implications.

Keeping records

It is important to keep proper financial records of all your activities relating to your cryptocurrency. You should keep records when you purchase, dispose, or mine cryptocurrency to ensure you have accurate information of your activities. This information is important for your own records and for filing your tax returns.

When you trade, sell or mine cryptocurrency, you have to report any income or capital gains from those activities on your tax return. However, you may also be able to report your expenses and losses. If you exchange taxable goods or services for cryptocurrency, you may have to report goods and services tax / harmonized sales tax (GST/HST).

What records you should keep

You should keep all records about your cryptocurrency transactions including, but not limited to, the following:

- date of the transaction
- the cryptocurrency addresses
- the transaction ID
- receipts for the purchase or transfer of cryptocurrency
- value of the cryptocurrency in Canadian dollars when you made the transaction
- a description of the transaction and the other party (such as their cryptocurrency address)
- exchange records
- wallet records
- accounting and legal costs
- software costs related to managing your tax affairs

If you are a miner of cryptocurrency, you should also keep the following records:

- receipts for purchasing cryptocurrency mining hardware
- receipts to support your expenses associated with the mining operation
- the mining pool contracts and records
- any other records on the mining activities
- the disposal of cryptocurrency earned through the mining activities

For more information, please visit our page on [keeping records](#).

How to correct your tax affairs

If you did not report your income or capital gains from transactions in cryptocurrency, you may have to pay tax, penalties and interest on that income or capital gain. You can avoid or reduce penalties and interest by voluntarily correcting your tax affairs. To correct your tax affairs (including corrections to GST/HST returns) and to report income that you did not report in previous years, you may:

- Ask for a [change to your income tax and benefit return](#)
- [Adjust a GST/HST return](#)
- Apply for a correction through the [Voluntary Disclosures Program](#)

More information

You can find more information on the tax obligations related to your cryptocurrency activities in the Canada Revenue Agency's (CRA) [Guide for cryptocurrency users and tax professionals](#).

Note: The CRA is currently updating the Guide for cryptocurrency users and tax professionals. Please make sure to stay informed by checking in for the most up-to-date information.

Information on how to report your income or capital gains from cryptocurrency transactions in your tax filings can also be found in CRA guides [T4037 Capital Gains](#) and [T4002 Self-employed Business, Professional, Commission, Farming, and Fishing Income](#).

Associated links

- [Tax Tip: What is cryptocurrency?](#)
- [Tax Tip: Investing in cryptocurrency](#)
- [Tax Tip: Mining cryptocurrency](#)
- [Tax Tip: Valuing your cryptocurrency](#)

Contacts

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