



Senate Standing Committees on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

Re: Treasury Laws Amendment (2022 Measures No. 4) Bill 2022

Thank you for the opportunity to comment on the Senate inquiry into the Treasury Laws Amendment (2022 Measures No.4) Bill 2022. Block's comments are focused exclusively on Schedule 2: Taxation Treatment of Digital Currency, Schedule 4: Skills and Training Boost and Schedule 5: Technology Investment Boost.

About Block

Block (ASX: SQ2) is a global technology company and an overarching ecosystem of many businesses, including Afterpay, Square, Cash App and TBD, united by their purpose of economic empowerment.

Our Square hardware and software products are used by thousands of Australian SMEs to help run and grow their businesses. Square offers purpose-built software to run complex retail operations and financial services, including versatile e-commerce tools, embedded payments tools, buy now, pay later functionality through Afterpay, as well as an appointment booking platform and staff management.

Skills and Training Boost and Technology Investment Boost (Schedule 5 and 6)

Block supports the Skills and Training Boost and Technology Investment Boost, which will strengthen small businesses digital preparedness. The technology investment boost will support small businesses to take advantage of digital technologies, which are essential to adapting to the evolving demands of consumers and the digital economy.

For the Investment Boosts to achieve their objectives, effective communication is essential. Small business owners are busy and require clear communication about whether they are eligible and exactly what programs and services they can purchase under the program. We recommend the Treasury and the Australian Taxation Office (ATO) work with relevant stakeholders to quickly deploy a wide scale communication effort with clear guidance on usage. Block would welcome the opportunity to play a role in such an effort.

Block also recommends that the Government consider extending the timeframe of the Technology Investment Boost beyond June 2023. Under current timelines there will only be a short window of time for small businesses to take advantage of the incentive. With tight budgets and uncertain economic conditions, many businesses may not be in a position to make large digital investments before the close of the current financial year. An extension of the timeframe would give businesses sufficient time to plan and obtain additional budget for such investments.

Taxation Treatment of Digital Currency (Schedule 2)

Block welcomes the Government's decision to clarify in law that digital currencies continue to be excluded from the income tax treatment of foreign currencies.

Australia has the potential to be a leader in responsible and trusted digital assets innovation, including digital currencies. Digital assets can offer real benefits to Australian businesses and consumers by making transactions easier, better and safer. Ensuring tax rules are clear and fit for purpose is important to support the growth of a responsible digital assets sector in Australia, which our research with the Tech Council of Australia and Accenture shows could contribute up to \$60 billion to the Australian economy.¹

We also support action to regulate digital assets exchanges and custody arrangements to protect consumers and promote financial stability, while driving innovation and growth, and look forward to working with the Government to this end.

¹ Tech Council of Australia, [Digital Assets in Australia](#), 2022.