

Senate Standing Committee on Economics

Parliament House

Canberra ACT

RE: **Digital Currencies**

Dear Sir or Madam;

Our company is a senior team of experienced entrepreneurs and scientists that has been working in the digital currency market in Australia for two years. We have raised investor funding and have very substantial plans for growing the company, providing both jobs and tax revenues to the country in this exciting new industry.

Unfortunately, however, based on the current positions of both the ATO (double GST taxation on digital currencies) and AusTRAC (refusing to classify digital currencies as “foreign currencies”) we are planning to leave Australia and relocate our company abroad. These current regulatory positions make Australia entirely uncompetitive as a place to operate a digital currency business and are completely out of step with what other jurisdictions like the UK and Canada have in place. Since the internet and this market is global, it is simpler for us to move our business rather than try to compete with these huge additional costs that our global competitors do not have to bear.

In Korea, one of the jurisdictions we are considering moving our operations to, the five largest banks got together to provide early-stage funding directly to digital currency companies. They did so because they recognize the enormous cost-savings advantages these new technologies will give them. By contrast, Australian banks have uniformly turned down any involvement with our company, citing the regulatory restraints imposed by the Australian Government. As a result Australian citizens and companies will be forced to buy the future of money from the Koreans, just as they do with cars, and TVs, and phones, and computers. Perhaps the Government can just issue high school graduates with a shovel and a surfboard, for that will be all they’ll ever need.

Unless a pro-business Government can quickly remove these huge barriers to competition, Australia risks becoming just a mine with lovely beaches. While that may please certain constituencies, it’s a strategy better suited to colonies and Third-world countries than to a modern nation seeking a bigger place in a connected digital world.

Regretfully,

(Name and company details withheld)