

Cryptocurrency and family law

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Cryptocurrency can be easy to transfer, difficult to trace and highly volatile. Those features do not place it outside a family law property settlement. Digital assets may need to be identified, disclosed and valued alongside bank accounts, real estate, superannuation, businesses and other property.

This article explains the practical issues that commonly arise when a property pool includes cryptocurrency. It is general information only. The right approach depends on the assets, records and circumstances of each relationship.

Cryptocurrency can form part of the property pool

A property settlement considers the parties' assets, liabilities and financial resources. Cryptocurrency and other digital assets can be relevant even when they are held through an overseas exchange, in a private wallet or in another person's name.

The form of the asset may vary. It can include:

- cryptocurrency held through an exchange;
- coins or tokens held in a private wallet;
- stablecoins and other digital assets;
- interests in decentralised finance arrangements;
- non-fungible tokens; and
- income, rewards or other benefits derived from digital assets.

Ownership and value can be more difficult to establish than for a conventional bank account. Early identification helps reduce uncertainty and the risk of an incomplete settlement.

Full and frank financial disclosure applies

Parties to a financial or property case have an ongoing duty to provide full and frank disclosure of their direct and indirect financial circumstances. This can include digital assets, transaction records and interests held through companies, trusts or other structures.

Useful records may include:

- exchange account statements and transaction histories;
- wallet addresses and public blockchain records;
- evidence of purchases, sales, transfers and conversions;
- records showing the source of funds used to acquire the assets;
- tax records; and
- documents linking a wallet or account to its owner.

Do not destroy records, conceal assets or move cryptocurrency to frustrate disclosure. Non-disclosure can delay a matter, increase costs and affect the orders a Court makes.

Never give another party a seed phrase, private key or password. Those credentials can allow complete control of a wallet. Disclosure should provide the information needed to identify and value an asset without compromising its security.

Valuation can be time-sensitive

Cryptocurrency prices can change quickly. The value at separation may be very different from the value when an agreement is reached or a hearing takes place. The appropriate valuation date and method depend on the circumstances.

In a straightforward case, an exchange statement and a reliable market price may be enough. A more complex portfolio may require specialist tracing, accounting or valuation evidence, particularly where assets have moved between exchanges and private wallets.

Tax consequences and transaction costs may also affect the practical value of a proposed settlement. Tax advice should be obtained where needed before assets are transferred or sold.

Practical steps after separation

If cryptocurrency may be part of the property pool:

Keep copies of available statements and transaction histories.

Record the exchange accounts and wallet addresses you know about.

Preserve evidence of transfers without accessing an account you are not authorised to use.

Keep your own credentials secure and update account security where appropriate.

Obtain legal advice before selling, transferring or dividing a substantial digital-asset holding.

Cryptocurrency does not always make a property settlement contentious. Clear records, timely disclosure and a sensible valuation process can help the parties negotiate with a more reliable picture of the property pool.

How Empower Family Law & Mediation can help

We can advise on disclosure, valuation evidence and settlement options when digital assets form part of a property matter. Where specialist forensic accounting, tax or valuation input is required, we can help identify the questions that need to be answered.

Read about property settlement or contact our team to discuss your circumstances.

Your first 30-minute consultation is free. Call (03) 7020 6542 .

For official information about disclosure obligations, see the Federal Circuit and Family Court of Australia's duty of disclosure guidance .

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Is cryptocurrency treated as property in a family law settlement?

Cryptocurrency and other digital assets can form part of the property pool in the same way as other assets or financial resources. The first task is to identify what exists, who controls it, how it was acquired and whether any associated liability or tax issue may affect its practical value. Labels such as "wallet" or "exchange account" do not by themselves establish ownership, control or the amount available for division. Digital assets can be easy to overlook because they may be held through several

exchanges, private wallets, hardware devices or decentralised platforms. Records should be preserved early, including transaction histories, wallet addresses, exchange statements, purchase records and evidence of transfers. The family law treatment depends on the full financial circumstances and evidence. Advice from a family lawyer may need to be combined with accounting, valuation, tracing or tax expertise.

What does financial disclosure require when cryptocurrency is involved?

Each party must provide full and frank disclosure of relevant financial circumstances in a property matter. For digital assets, useful material may include exchange statements, wallet addresses, transaction exports, bank records showing purchases or withdrawals, tax records, staking or lending records, and information about tokens held outside a conventional exchange. Disclosure may need to cover assets held directly, through a business or trust, or for the benefit of a party. A blockchain record can show transactions without explaining who controls a wallet or why a transfer occurred. The surrounding evidence therefore matters. If records are missing or there is concern about undisclosed assets, legal advice can help identify proportionate requests and whether specialist tracing is justified. Do not attempt unauthorised access to another person's device, wallet or account. Preserve your own lawful records and address disclosure through proper legal processes.

How can volatile digital assets be valued for settlement?

Valuation requires an agreed or evidenced quantity, the relevant valuation date, a reliable price source and attention to liquidity, fees and other practical constraints. Cryptocurrency prices can move sharply, so a figure used during negotiation may be materially different by the time a settlement is implemented. The parties should consider how price movement will be allocated rather than assuming a fixed historical value will remain accurate. For straightforward exchange-held assets, statements and a transparent market price may be enough. Less liquid tokens, locked holdings, staking arrangements, decentralised finance positions or disputed control may require specialist evidence. Tax consequences should also be examined separately from the headline market value. Orders or agreements need precise transfer mechanics, timing and responsibility for fees, because a vague direction to "divide the crypto" may be difficult to implement safely.

What practical steps should I take to preserve digital-asset information after separation?

Secure your own accounts with lawful password changes, multi-factor authentication and safe storage of recovery information. Download statements and transaction histories while access remains available, record wallet addresses you legitimately know, and preserve bank or tax records that show acquisition or disposal. Keep a dated list of exchanges, wallets and platforms relevant to you, and do not destroy devices or records. Avoid moving, hiding or disposing of assets to defeat a claim, and do not access an account that is not legally yours. If there is a genuine risk of dissipation, explain the evidence promptly to a lawyer so appropriate disclosure requests, undertakings or urgent orders can be considered. Digital-asset security and family law disclosure must both be addressed: careless disclosure of private keys can create theft risk, while incomplete legal disclosure can create serious consequences.