

Currency

Part 19-01-02 (S.532)

This document should be read in conjunction with section 532 of the Taxes Consolidation Act 1997

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Introduction

Section 532 of the Taxes Consolidation Act 1997 ("TCA 1997") provides that currency (other than the currency of the State) is a chargeable asset.

2.1 Currency as a chargeable asset

Currency (other than currency in euro) is a chargeable asset which may be held in specie (e.g., in the form of gold coins) or as credit balances (e.g., bank deposits). Unless exempt under **Section 541(6) TCA 1997** (see [Tax and Duty Manual Part 19-01-14](#)), foreign currency banknotes and foreign travellers' cheques are considered to be foreign currency and chargeable as such.

Section 44 Finance Act 2013 substituted "the currency of the State" for "Irish currency" in **section 532(b) TCA 1997** as the concept of Irish currency no longer applies following the introduction of the Euro on 1 January 1999.

The exemption given to gains accruing on the disposal of chattels (tangible movable property) with a value not exceeding €2,540 (see [Tax and Duty Manual Part 19-07-02](#)) does not, however, extend to disposals of currency held in specie.

Time should not be spent enquiring about gains arising from foreign currency appreciation in the hands of non-resident companies (see [Tax and Duty Manual Part 19-04-13](#)) or non-resident trusts (see [Tax and Duty Manual Part 19-03-05](#)) unless the amounts involved seem likely to be material.

As regards foreign currency bank accounts, see [Tax and Duty Manual Part 19-01-14](#).

As regards the Euro, see [Tax and Duty Manual Part 19-01-14A](#) (**section 541A TCA 1997**).

2.2 Coins

For Capital Gains Tax purposes, coins should be regarded as currency only when they are legal tender at the time of their acquisition or disposal. All coins which are not currency are chattels and thus exempt where the disposal consideration for them does not exceed €2,540 ([Tax and Duty Manual Part 19-07-02](#)). The possibility that the disposal of more than one coin constitutes a "set" should be borne in mind (see also [Tax and Duty Manual Part 19-07-02](#)).

2.3 Disposals and rates of exchange

When an asset is disposed of for currency, there is an exchange of assets at the market value (i.e., the prevailing exchange rate) of the currency taken in return. Similarly, if an asset is acquired for currency there is an exchange of assets involving a disposal of currency at the market value of the asset taken in return (i.e., in a bargain at arm's length for full consideration, the value of the currency at the prevailing exchange rate).

Note: This manual is currently subject to review and may not reflect up-to-date position.

Most recent version.