

[19.1.2] Currency (S.532)

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)** (see [Tax Instruction 19.1.14 Par.1](#)), 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)** 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 Instruction 19.7.2 Par.1](#) et seq.) 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 Instruction 19.4.13 Par. 5](#) et seq.) or non-resident trusts (see [Tax Instruction 19.3.5 Par.18](#) et seq.) unless the amounts involved seem likely to be material.

As regards foreign currency bank accounts, see [Tax Instruction 19.1.14 Par. 1](#).

As regards the Euro see [Tax Instruction 19.1.14A](#)

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 Instruction 19.7.2 Par.2](#)). The possibility that the disposal of more than one coin constitutes a "set" should be borne in mind (see [Tax Instruction 19.7.2 Par. 6, Par. 7 and Par. 9](#)).

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).