

ASSESSMENTS OF CRYPTOCURRENCY ACCOUNTING FROM AN INTERNATIONAL PERSPECTIVE

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Abstract

The international accounting bodies concerned with the subject recognize the asset attributes of cryptocurrencies, but have different views on their classification and dispute the valuation model for cryptocurrencies. Cryptocurrencies are not cash or cash equivalents and do not have the characteristics of monetary assets as they do not have the characteristics of a sovereign currency. Depending on the purpose of acquisition and holding, cryptocurrencies may be classified as inventories or intangible assets, but the valuation model for cryptocurrencies and the gain or loss from holding them again violates the current regulation of accounting standards for inventories and intangible assets. Fluctuating market prices of cryptocurrencies make the financial and holding conditions of these assets less predictable for individuals and businesses. As there are no accounting standards that specifically address crypto assets, existing IFRS should be considered and a principle-based approach applied. The article highlights some of the approaches of international financial accounting standards that are currently being debated and also shares views on how IFRS could be applied to cryptocurrency accounting.

Key words: cryptocurrency, accountancy, bitcoin, blockchain, IFRS