

## Accounting for Cryptocurrency: Urgent Need for an Accounting Standard

**Authors :** Fatima Ali Abbass, Hassan Ibrahim Rkein

**Abstract :** The number of entities worldwide that currently accept digital currency as payment is increasing; however, digital currency still is not widely accepted as a medium of exchange, nor they represent legal tender. At the same time, this makes accounting for cryptocurrency, as cash (Currency) is not possible under IAS 7 and IAS 32, Cryptocurrency also cannot be accounted for as Financial Assets at fair value through profit or loss under IFRS 9. Therefore, this paper studies the possible means to account for Cryptocurrency, since, as of today, there is not yet an accounting standard that deals with cryptocurrency. The request to have a specific accounting standard is increasing from top accounting firms and from professional accounting bodies. This study uses a mixture of qualitative and quantitative analysis in its quest to explore the best possible way to account for cryptocurrency. Interviews and surveys were conducted targeting accounting professionals. This study highlighted the deficiencies in the current way of accounting for Cryptocurrency as intangible Assets with an indefinite life. The deficiency becomes well highlighted, as the asset will then be subject to impairment, where under GAAP, only depreciation in the value of the intangible asset is recognized. On the other hand, appreciation in the value of the asset is ignored, and this prohibits the reporting entity from showing the true value of the cryptocurrency asset. This research highlights the gap that arises due to using accounting standards that are not specific for Cryptocurrency and this study confirmed that there is an urgent need to call upon the accounting standards setters (IASB and FASB) to issue accounting standards specifically for Cryptocurrency.

**Keywords :** cryptocurrency, accounting, IFRS, GAAP, classification, measurement

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