

## IDENTIFYING GAPS IN ACCOUNTING FOR CRYPTO-ASSETS

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EFRAG is conducting a research project on crypto-assets with the objective of identifying and proposing solutions for accounting challenges that may need clarification or may not be addressed within existing International Financial Reporting Standards (IFRS) and other national accounting standard setter guidance. As part of the research and to fully identify the accounting issues, EFRAG is seeking to engage with subject matter experts and practitioners within the Crypto-assets ecosystem and related activities including the following:

- *Issuance of crypto-assets*: Initial Coin Offerings (ICOs) (and similar offerings);
- *Holding of crypto-assets*: Payment services, investment and other holding objectives (e.g. access to distributed network goods and services); and
- *Crypto-assets related services*: Storage, custodial services and mining services.

Appropriate accounting guidance needs to consider the contractual and economic rights and obligations resulting from transactions. Hence, one objective of the outreach is to develop a comprehensive understanding of the obligations of issuers of tokens and the underlying rights, including customer protection, of:

- Customers (entities) that acquire and store crypto-assets through trading platforms or other means; and
- Token holders.

The goal is to define fact patterns within different jurisdictions within the EU and beyond that can help to identify the associated rights and obligations from a customer/holder perspective as well as a seller/issuer/custodial service provider perspective. The outreach will also seek to obtain any other observations related to crypto-asset activities that would help inform the EFRAG research project.

### FACTORS THAT NECESSITATE THIS OUTREACH

Due to the relative infancy of crypto-assets and due to the early stages of regulation, there is limited available information on the underlying rights and obligations within the public domain.

In addition, the state of market development and regulation differs across jurisdictions, making it inappropriate to generalise on whether the accounting guidance that has so far been issued in different jurisdictions addresses all potential accounting gaps across activities within the crypto-assets ecosystem.

### INVITATION TO PARTICIPATE IN OUTREACH

EFRAG is inviting stakeholders with subject matter expertise on crypto-assets including market participants in crypto-assets related transactions, information intermediaries such as ICO rating



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agencies, regulators, standard setters, auditors, advisory and research services providers and any other experts to participate in the outreach.

The outreach will be conducted during the months of September – November 2019 through phone interviews that should take between 45 minutes to one hour. Related questions will be shared before the interview. You may contact Isabel Batista [isabel.batista@efrag.org](mailto:isabel.batista@efrag.org) or Galina Borisova [galina.borisova@efrag.org](mailto:galina.borisova@efrag.org).

Should you be interested in participating in EFRAG's outreach on crypto-assets, please respond to [cryptoassets@efrag.org](mailto:cryptoassets@efrag.org).